

INTRODUCTION

To the question from Shri Tushar Chatterjee, M.P., as to whether Government have received any representation from the West Bengal Committee of the All-India Trade Union Congress regarding the death of hundreds of workers of the Tandu tea estate in Dooars, West Bengal, in August 1954 due to floods, Hon. Minister for Labour, Shri Khandubhai K. Desai, replied on 19th November 1954, that, "this is a matter within the purview of the Government of West Bengal. They have been requested to send us the information required. The reports will be placed on the table when received."

The representation to the Government was made months back. It is painful that the Government should be so slow to get the necessary information regarding the ghastly tragedy that overtook 34 families of plantation workers of Dooars Tea Company Ltd., under the managing agency of Gillanders Arbuthnot & Co. More than 119 people are either dead or missing. Entire families including women and children have been wiped out. The actual number of those dead and missing has yet to be ascertained.

The tragedy could have been avoided if the all-powerful manager of the tea garden had not driven out the workers and their families from the factory buildings where they had taken shelter.

We are placing before the Members of the Parliament, and the people of our country, the copy of the report sent to us by Shri Manoranjan Roy, whom we had specially deputed to visit the tea estates and ascertain the details leading to the tragedy.

The facts speak for themselves.

The AITUC demands:

- 1) *That an enquiry by Members of Parliament belonging to all political parties should be instituted to ascertain the full facts leading to the tragedy.*
- 2) *That action be taken on the manager if he is found to be responsible for sending the workers to their doom.*

- 3) *That adequate compensation be paid to the surviving members of the families of the deceased.*
- 4) *That arrangements be made for rehabilitation of the surviving workers and their families.*

We appeal to the Members of Parliament and all democratic sections of our people and the workers and their unions to join us in the above demands.

New Delhi,
25-11-'54.

AITUC Secretariat

**REPORT SUBMITTED BY SHRI MANORANJAN ROY
TO THE ALL-INDIA TRADE UNION CONGRESS
AND ITS WEST BENGAL COMMITTEE ON
TANDU TEA GARDEN TRAGEDY**

249, Bow Bazar Street,
Calcutta,
September 18, 1954.

To
The General Secretary,
All-India Trade Union Congress,
New Delhi.

Dear Comrade,

The vastness of the havoc and devastations caused by the flood in Nagrakata area of the Jalpaiguri district is too little known to the people outside. Seven villages of the Sulka union in that area and the Bamandanga tea garden have been very badly affected and the Tandu tea garden has been almost completely destroyed. The circumstances which led to the tragic death of hundreds of workers of the Tandu tea garden are still unknown to the people outside.

I went to visit the area along with the Secretary of the Jalpaiguri Chabagan Mazdur Union, Shri Debaprasad Ghosh, on September 12 last. We met the workers of the Tandu tea garden and the report that we collected from them speaks of the terrible irresponsibility and inhuman behaviour of the garden management, which is perhaps a unique affair in recent history of the flood.

The workers told us that the Diana river, flowing by the side of the Tandu garden, is flooded every year. In 1952 also the water-level of the Diana river rose to an extent inundating the biggest workers' bustee called the "Mechiapara Line". It is to be mentioned here that the Tandu and Bamandanga tea estates belong to the Dooars Tea Co., Ltd.; (registered in U.K.). The Dooars Tea Co., Ltd., has 9 tea estates in Dooars under the Managing Agency of the Gillanders Arbuthnot & Co., Ltd.

This year by August 15, all the rivers of this area were overflowing. Along with the ferocity of current, the natural characteristic of the rivers of hilly regions, boulders of big size swept on with the water current. The flood water entered the workers' bustee and the huts were filled in with sand, boulders and gravel. Having no other way out, workers took shelter in the second floor of the factory building of the garden. They stayed on in the factory building for a period from August 16 to 21. During these five days there occurred incessant rains. Meanwhile five rivers and tributaries of this area joined near the Tandu garden making a vast expanse of rushing water. On August 21, the manager of the garden informed the workers that as they were making the factory 'dirty' they would have to go back to their respective huts in the bustee. The terror-stricken workers, being faced with an unprecedented flood havoc, vehemently opposed that proposal of the manager. But the all-powerful manager, as a tea-garden manager generally is, particularly of a garden situated in an inaccessible area, forced the workers to leave the factory building and on the 21st and 22nd they were sent back to their respective huts. The manager, of course, assured the workers—which subsequently proved to be a ruse—that before the flood-water rose to a dangerous level the bell will be rung to warn them.

The workers removed the wet sand and boulders from inside the huts and stayed there in anxious suspense.

On the 22nd evening, when the workers had just finished their meals and some were taking their meals, flood-water began to come rushing inside the 'line' and within a short time the floors were under water. The workers with women and children took shelter on the bamboo poles placed horizontally as ceiling, but water-level soon touched the poles, their last shelter. Then they pierced through the roofs of the huts and got themselves on the roofs. During the very night, two of the huts along with those who took shelter on their roofs were swept away. From the following morning, say at 8, one by one all the huts collapsed and were swept away. The men, women and children who were on the roofs began to be wiped out and lost in the terrific current. Many of the women were pregnant. It is only those who were physically strong and could get branches of trees at hand to clutch at, could survive. All the children and the women workers who were pregnant were simply drowned. The 25 families who, despite the manager's insistence, stayed on to the last in the factory building are safe. All others lost everything except what they had on. Almost the entire area of the Tandu garden itself has been submerged in water and covered with

sand. Four hundred acres out of the total area of 600 acres have gone into the river. Those who survived by clutching tree branches were rescued after two days and two nights. For two days and two nights they were on the tree branches. It has been reported that after rescuing they were not allowed to meet each other. Those who were in the factory building were also not allowed to get down and meet other workers.

But while the flood water was just rising, elephants and tractors were sent from the neighbouring gardens and the European officers of the Tandu garden were removed. In the rescue work of the Tandu garden workers, the workers mainly of the neighbouring Bhagatpur garden untiringly helped. The actual number of deaths is yet to be found out. The figure supplied by the management is very much below the actual figure, and is a gross underestimation. The surviving workers of the Tandu garden have been distributed in Bhagatpur, Nagrakata, Indong and other gardens. But not a piece of cloth or any house-hold article which they had all lost had been given to them.

The Bamandanga tea garden near the Tandu tea estate has also suffered great damage. From there also no correct information of the loss of life is forthcoming.

We demand without delay an enquiry into the irresponsibility of the tea garden management and to get at the actual figure of deaths in Tandu and Bamandanga tea estates. We further demand for compensation and for adequate rehabilitation of the surviving workers and the families of the deceased.

The Tandu tea garden is situated in an area beyond any easy reach. The accessibility has further deteriorated resulting in complete cutting off from the outside world due to flood havoc and devastations. In order to mitigate the untold miseries and sufferings of Tandu tea estate workers at the whims of the management, a strong movement is urgently necessary.

We appeal to the working class and the democratic people to come forward to help the unfortunate workers of the Tandu tea garden who have been victims not only of the natural calamity, but mainly of the callousness and unpardonable irresponsibility of the garden manager. A strong movement only can compel the garden management to adopt a reasonable attitude and to take proper steps.

We are giving below a list of the workers and their family members who are missing and dead. The list, which has been made with the help of those surviving, shows that more than 14 families have been wiped out.

<i>Head of the Family</i>	<i>Total Family Members</i>	<i>Missing</i>
1. Dukhen Sardar	3	3
2. Ghoghari	5	5
3. Hiliias Chowkidar	7	7
4. Charan	5	5
5. Bati	2	2
6. Ladriashani	2	2
7. Duns Sardar	2	2
8. Pagla Sani	5	5
9. Dukharam	3	3
10. Lory Sardar	4	4
11. Dukhu	4	4
12. Jagannath	4	4
13. Shani	3	2
14. Bamta	4	3
15. Matlu	3	2
16. Charu Somra	6	5
17. Birosh	4	3
18. Narayan	8	3
19. Rirsha	8	3
20. Mona	3	1
21. Mathai	6	2
22. Balia	5	2
23. Bhuncha	4	2
24. Jagdeo	3	1
25. Mathu	4	3
26. Kirpa	5	4
27. Tilinga	5	3
28. Ramcharan	5	4
29. Dalai	6	5
30. Mangara	5	4
31. Manmohan	7	2
32. Honraha	3	2
33. Khoma	3	2
34. 3 families taking shelter in Thupe Sardars quarter	16	15
Total		119

Yours fraternally,
Sd/- Manoranjan Roy.

RESOLUTIONS OF THE GENERAL COUNCIL

NAGPUR, NOVEMBER 14-18, 1954



AITUC PUBLICATION

1. ON TASKS OF THE AITUC UNIONS AND WORKERS IN THE STRUGGLE FOR TRADE-UNION UNITY

The General Council of the All-India Trade Union Congress meeting six months after the Calcutta Session, noted with satisfaction that the urge of the working class for unity and united action is finding practical expression in varied forms and at various levels throughout the country.

The last six months have witnessed the glorious example of Kanpur textile workers, who, faced with the imminent threat of rationalisation and retrenchment, closed up their ranks and raised the slogan of merger of the rival unions into a single, united organisation. Their great initiative has already led to their overcoming the enemies of unity and to the practical realisation of the slogan of one, single united trade union for the Kanpur textile workers. The signal achievement of the Kanpur workers has forced the employers and government to retreat, and shows the path for workers and unions of all views and affiliations throughout the country. The growing unity and strength of National Trade Federations such as Defence Employees' Federation, Petroleum Workers' Federation, etc., has given a great fillip to Indian working class in striving for one union in one industry. The move to form a united Federation of Post and Telegraph workers in the recent period is a welcome development.

These 6 months have also witnessed the development, to a new and higher level of organisation and class consciousness, of the all-India unity of the bank employees expressed through the bold resistance of their united federation to the government's modification of the Labour Appellate Tribunal Award. Today, the united determination of 60,000 bank employees to defeat the attack on their wages by means of a general strike is a source of inspiration to all fighters for unity and of dismay and confusion to its enemies.

The General Council further notes that united action from below is being resorted to on an ever-increasing scale by workers of all trades and affiliations on the concrete issues affecting their conditions of life and work. Notable struggles have been conducted in this way against rationalisation and unemployment by the textile workers of

Bombay, Ahmedabad, Hyderabad and Madhya Bharat, against attacks on trade-union rights and democratic liberties by the workers of West Bengal, Tamilnad, Bihar and Indore; for bonus, higher wages, reinstatement, etc., by the workers of many industries in many states. The capacity of the disruptors to prevent the workers from uniting in and through such actions is being shaken as never before. 'Unity Committees', 'United Action Committees' and similar organs of struggle are being thrown up by the workers over the heads of would-be disruptors.

Another concrete manifestation of the growing forces of unity is to be found in the discussions which have begun between 'rival' unions in several enterprises for concrete ways and means of merging themselves into united unions. Under the mounting pressure of the workers, such unity talks and "formulas" can no longer be directly ignored by the leaders of the different organisations who have to adopt a positive attitude towards them.

In the light of these specific developments during the last 6 months the General Council of the AITUC is of opinion that conditions favourable to the rapid extension and development of the movement for unity are maturing along the lines envisaged in the AITUC's Unity Appeal adopted at the 24th Session. The time has come for the AITUC unions and cadres to seize the opportunities presented to them and to undertake still bolder initiatives from above and below for launching of a mighty mass campaign for trade-union unity.

The General Council cannot ignore the fact that one of the major obstacles in the path of unity and united action is to be found in the relics of incorrect approach to the question on the part of the AITUC unions themselves and in their vacillating or negative attitude in the matter of practical initiatives for unity. It is essential that these mistakes and wrong ideas be overcome without delay, if the favourable conditions developing in the country are to be put to good use.

It must be emphasised that unity from below and in action cannot be built up unless the AITUC unions and committees carry out independent activities of their own and strengthen themselves in mass work. Such independent work on mass issues should continue to be carried on even while carrying out the minimum agreed tasks of the united platform.

The tendency to neglect or suspend independent work by AITUC unions and committees on the plea that unity committees or councils have been set up in a given area or industry, is harmful to unity and the interests of the workers. Only when a full merger of the different unions in a united union has taken place and the AITUC is a party to the unity and merger and consequent dissolution of 'rival' unions, the AITUC unions can cease to function as a separate body.

The cause of unity also suffers from the failure to mobilise the mass of workers under AITUC unions, for mass fraternisation with other workers and for taking up the task of forging trade-union unity into their own hands.

The General Council, therefore, calls upon all its affiliated unions, their leaders and workers and upon all workers sympathetic to the cause of the AITUC, no matter where they may be, to go forward into the battle for unity with renewed confidence, while keeping the following principles and directives in mind:

(1) Transform the struggle for unity from mere 'top' negotiations between leaders of different organisations into a real mass campaign, crusading directly among the broadest masses of the workers on every issue and in suitable forms; build up united action from below.

(2) Eliminate sectarianism in our approach to the workers of non-AITUC unions; build consciously contacts and links with them, and strengthen these links where they already exist; organise mass fraternisation between the workers owing allegiance to different trade-union centres.

(3) Wherever conditions mature for the organisational merger of different unions display the maximum spirit of compromise and agreement, of sacrifice and reasonableness, expected of us by the workers of all opinions who genuinely want to come together; at the same time, guard against disruptionist and liquidationist trends which may sacrifice the democratic rights of the workers and the integrity of their organisations in the name of false 'unity'.

(4) Expose before the workers, concretely and painstakingly, all anti-unity and undemocratic manoeuvres resorted to by the disruptors; expose and defeat the deceptive slogans put forward by some INTUC and HMS leaders advocating 'free' trade unions, unions 'free from politics', unions 'free from outsiders', and so on, as slogans meant to rob the workers of their democratic rights and to disarm them in face of the class enemy.

(5) Organise the unorganised workers; pay special attention to trade-union recruitment; draw the unorganised workers into mass action on common issues, so that they may become the trade-union members of tomorrow and thus strengthen the organised base for unity.

2. ON INTERNATIONAL SOLIDARITY TOWARDS INDIAN WORKING PEOPLE

The General Council of the AITUC expresses its gratitude to the WFTU, Trade Unions Council of Rumania, CGT of France, Trade Unions Council of Bulgaria for their moral and material help and solidarity towards the AITUC Flood Relief Fund for the suffering

people of our country in Assam, West Bengal, Uttar Pradesh and Bihar.

Further the General Council is thankful to the material help given by the WFTU to defend the case of Gondia (Madhya Pradesh) beedi workers involved in murder charges and also to defend the case of three Mangalore tile factory workers who are sentenced to death.

3. ON CHARTER OF TRADE UNION RIGHTS

The General Council of the AITUC warmly approves the draft Charter of Trade Union Rights prepared by the WFTU after the democratic discussion throughout the world.

The question of Trade Union Rights has become the most vital one facing the trade-union movement in India. The defence of workers' bread, jobs and living and working conditions is inseparably linked with and dependent upon the workers defending and extending Trade Union Rights.

The General Council holds that the Charter is a weapon in the hands of the working class to unite and fight for their rights.

4. GREETINGS TO THE SECOND MINERS INTERNATIONAL AT PRAGUE

The General Council of the AITUC sends its warm greetings to the Second Miners International Conference meeting at Prague in December 1954. In the context of the present period of growing unemployment, increasing number of accidents in pits, fall in wages and general attacks on trade-union rights in colonial and capitalist countries, the Prague Conference will be followed with keen interest and attention by miners of this country. Indian coal miners fighting against retrenchment and wage-cuts and anti-labour policy of the government and the employers affirm their close solidarity with miners of all other countries and pledge their active support to the common cause of prosperity, freedom and peace.

5. ON ASIAN TRADE UNION CONFERENCE

This meeting of the General Council of the AITUC extends its welcome to the friendly discussion of Asian trade unionists in Peking in May this year.

Fifty-five delegates from 17 trade-union organisations in 9 countries after a full and fraternal exchange of opinion, unanimously proposed to the trade-union organisations of the Asian countries

and their leaders that an Asian Trade Union Representative Conference be held "on the basis of friendliness, unity, mutual respect and consultation irrespective of their political affiliation and religious belief".

The friendly discussions in Peking among trade unionists of varied political opinions and affiliations revealed the unanimity on all the vital questions facing the working class and the people of Asian countries.

The daily deterioration of living conditions of workers in many Asian countries, the plight of the peasantry, the aggravation of the question of unemployment, etc. are accentuated by the colonialist policy pursued in Asian countries by international monopoly capital and of the acts of aggression and unwarranted intervention in Asian affairs by the instigators of war.

The Asian workers and people strongly desire to achieve freedom and to safe-guard peace, independence and democracy. They abhor wars and hate the propaganda of atomaniacs. They oppose all the designs of warmongers to jeopardise peace by way of military pacts, like the US-Pak Pact and formation of military blocs like the SEATO.

The AITUC whole-heartedly welcome this proposal and this General Council assures the active participation of AITUC unions all over the country to bring about an early realisation of this Asian Trade Unions Conference.

The AITUC urges upon all the national trade-union centres of India, all the unions of whatever affiliation or no affiliation, and all the trade unionists and rank-and-file workers of whatever political opinion to rally together to bring about this meeting of Asian Trade Unions which is so urgent and so vital for us and which shall be so historic for the trade-union and the democratic movements of Asian countries.

6. ON ALL-INDIA CONGRESS FOR PEACE AND ASIAN SOLIDARITY

The General Council of the AITUC welcomes the Convention of the All-India Congress for Peace and Asian Solidarity scheduled to meet in Madras from 30th December 1954 to 2nd January 1955.

The AITUC has always worked for peace and against war. The General Council welcomes the Joint Declaration issued by the Premiers of India and China, laying down the Five Principles which will contribute to peace among nations and mutual co-operation and friendship between countries.

The General Council condemns in emphatic terms the attempts of warmongers to embroil Asian countries in war through the SEATO.

The General Council is confident that this congress will help in unleashing the widest mobilisation of all sections of the people of India against the attempt of imperialists to make Asians fight Asians, and for Asian solidarity and world peace.

The General Council appeals to all unions in the country and to all workers to make the All-India Congress for Peace and Asian Solidarity a great success by active participation, by carrying on the widest propaganda, and by sending delegates.

The General Council resolves to send a delegation consisting of the Working Committee Members to participate in the congress.

7. ON PREVENTIVE DETENTION ACT

The General Council of the AITUC holds that the Bill pending before Parliament seeking to extend the life of the Preventive Detention Act is an anti-people measure.

The Preventive Detention Act, which totally denies the most elementary democratic right of personal freedom of the individual from arbitrary arrest without warrant and imprisonment without trial, empowers the bureaucratic officials to detain persons without trial and its working so far has shown that it is primarily aimed at the trade-union and other democratic movements. Under the Act thousands of trade-union officials and workers, and active workers of the Kisan Sabha and other democratic organisations have been detained without trial.

The AITUC calls upon the affiliated trade unions and workers to organise meetings and demonstrations against the proposed Bill and mobilise democratic public opinion against it.

8. ON UNEMPLOYMENT

This meeting of the General Council of the AITUC congratulates the workers for their continued struggle against unemployment. The General Council, however, is constrained to note that the government's policies instead of reducing unemployment have only intensified it. The government's own report on the progress of the Five Year Plan admits their failure in this respect. The General Council, therefore, calls upon the affiliated unions and all workers to intensify their struggle against unemployment on the lines laid down in the resolution of the Calcutta Session of the AITUC. The General Council stresses the need for the trade unions taking up the task of organising relief to the unemployed workers, as part of their struggles and securing adequate unemployment insurance or relief from the government and the employers.

9. ON RATIONALISATION

The General Council of the AITUC notes with concern that in the period since the last Calcutta Session of the AITUC the monopolists have persisted in their attempts to carry out schemes of rationalisation. In Kanpur, Ahmedabad, Bombay, Calcutta, Delhi and many other centres, many of the employers have directly increased the workload and displace large labour force. In some centres attempts are being made to instal automatic looms and other types of labour-displacing and speed-up machinery in place of the existing ones, thereby rendering large number of workers unemployed and increasing the workload of the employed. It is to be noted that large sums from the state finances are placed in the form of loans, etc., at the disposal of the monopolists to carry out this attack on the working class.

In almost every factory, vacancies that arise due to retirement of workers are not filled up, and the remaining workers are forced to accept increased workload. In the name of 'discipline', 'increase of efficiency', etc., they are forcing the workers to intensify their labour.

The General Council congratulates the workers throughout the country for their determined and united resistance against these attempts. These determined struggles have in many centres temporarily given some set-back to the plans of the employers—as in Kanpur, Bombay, Delhi and various other centres. They have led to even sections of the Congress ruling party becoming critical of rationalisation.

The government's professions of its anxiety to allay unemployment by encouraging labour-intensive industries are belied by its acts. The Kanuga Committee on Textile Industry, the Jute Enquiry Committee and the Ford Foundation Team, etc., have all recommended rationalisation in all industries including small industries and the displacement of the handlooms by powerlooms, which admittedly would throw 4 lakh handloom workers out of employment.

In Parliament, the government rejected the resolution seeking to ban rationalisation and instead got a resolution demanding rationalisation passed. The promise that the government would see to it that displacement of labour does not take place as a result of introduction of rationalised methods has been found to be absolutely false. The fact is that thousands of workers have been retrenched in all industries by the introduction of rationalisation, retrenchment and speed-up and the government has done nothing to check it. The very law of rationalisation is based on reduction of the employed workers and this is bound to bring about unemployment.

The General Council declares that rationalisation in the existing industries of our country will only lead to strengthening of the position of the monopolists, Indian and British, to the uprooting of

small employers and increase in the volume of unemployment, which has already become enormous in volume and extent. It will lead to intensification of labour and will only enable the monopolists to use their strengthened position to continue to mint enormous profits.

The cry that rationalisation has become necessary in order to cheapen the price of cloth and other consumer goods is false. The textile and other monopolists have never been known to be solicitous of the interests of the consumers, but have taken every opportunity to raise prices and earn maximum profits. The fact is that already a large measure of rationalisation and speed up has taken place since 1948. Its extent can be seen from the fact that although cloth production has increased by 14% in 1953, the complement of labour in the textile industry is less than in 1948. And yet the textile monopolists have not cared to reduce prices. So also the British tea monopolists, who despite large-scale displacement of labour and increase of production of tea, are today minting money by selling tea at exorbitant prices.

Our country needs the utilisation of all existing productive capacity and a planned investment of all available resources in new industries, particularly the basic industries, and not their wastage in new technique in the existing industries.

The General Council notes that the struggles against rationalisation have been joined by the workers of all affiliations, including those of the INTUC and HMS. It, however, desires to point out that some of the leaders of the HMS have publicly supported rationalisation demands of the British jute monopolists. The INTUC leadership's support to rationalisation, on condition that it does not lead to displacement of labour, in practice plays into the hands of the monopolists.

The General Council calls upon the workers to intensify their struggles against all forms of rationalisation. It particularly appeals to them not to fall a victim to certain immediate small increase of wages that may be offered by monopolists but to build up the solidarity of their class, forge wide-spread unity and fight against this attack on their living standards and employment, as the net effect of rationalisation if introduced in a sizable sector will be an all round depression of the wage level of all the workers and increased unemployment.

In this fight against rationalisation, the working class is fighting not only for its class interest, but the battle of the entire people against the policy of the government and monopolists leading to mass unemployment, and intensification of the poverty of the people. The General Council, therefore, calls upon the working class to mobilise the people in the fight against this policy of the government and for an alternative policy leading to full employment and prosperity for the people.

10. ON NATIONAL MINIMUM WAGE FOR INDUSTRIAL WORKERS

The question of fixing a minimum wage for all industrial workers in India has been long overdue. The overwhelming majority of the workers in the country do not receive a wage of even a subsistence level, adequate to meet the barest physical needs of the worker and his family.

Despite the fact that many commissions and committees, and industrial courts appointed by the government itself have discussed the question and recommended minimum wages, the government has not only refused to fix a minimum wage for all industrial workers, but through its Five Year Plan, has come out openly against any increase in the wages for the workers except when workers accept rationalisation.

The Minimum Wages Act, has been implemented in such a way that the starvation wages in many of the sweated industries have been legalised.

The General Council is of opinion that the time has come when the trade-union movement should raise the demand for a national minimum wage for all industrial workers.

The present system of wages in most of the industries, of a basic wage and a dearness allowance, is irrational and only has enabled the employers to suppress the real wages of the workers, since workers' wages have not been fully neutralised in accordance with the rise in the cost of living.

A number of committees of enquiry have admitted that the subsistence level is above Rs. 30 in India on the basis of the cost of living in 1939. In view of this fact and the present rise in the cost of living, the General Council of the AITUC demands the fixation of a National Minimum Wage of Rs. 100 for all industrial workers. The minimum wage of Rs. 100 is inclusive of dearness allowance but excludes all deductions for contributions to the provident fund and health insurance, etc. The General Council directs the trade unions affiliated to it and workers generally to strive for this National Minimum Wage.

11. ON BONUS

The AITUC notes that workers' claim for bonus is not being accepted by various managements. The policy of the government as laid down by the planning commission has restricted the cash payment of bonus and also its quantum on the plea of preventing "the diversion of resources into consumption." The Labour Appellate Tribunal's formula and decisions on bonus have meant a denial of bonus in smaller industries and a ceiling on the quantum in those industries making abnormal profits.

The formula as laid down by Labour Appellate Tribunal provides for provisions on taxation, depreciation, rehabilitation, return on paid-up capital, bonus shares and reserves—all of which take precedence over bonus.

The AITUC reiterates that bonus is deferred wages and demands one-twelfth of the total yearly earnings as bonus even in industries which have not made any profit.

In industries making profits the AITUC demands that the following formula be adopted for determining the quantum of bonus to be given to the workers : From the total gross profit which excludes managing agency commission, 3% depreciation on machinery, 2% depreciation on buildings and 4% dividend on paid-up capital be set apart and out of the remaining amount 50% be distributed among workers as bonus.

The AITUC calls upon all workers and their organisations to agitate and fight for bonus on the basis of the above formula.

12. ON MADRAS TRAMWAYS AWARD

The AITUC condemns the action of the Government of India in preferring an appeal against the award of the Special Industrial Tribunal, Madras, in the dispute between the Madras Electric Tramways Company and its workers wherein the tribunal had directed payment of compensation to workers from the reserve fund of the company.

The contention of the government "that the award will have serious repercussion on the capital structure of the public limited companies and will entail disruption of reserves and over-capitalisation of companies by issue of bonus shares" and such awards would be "disastrous to the industrial economy of the country", reveal the anxiety of the government to uphold the interests of the British bosses of the company.

The company has been wound up. The share-holders have taken year after year huge profits out of the sweat of the workers. The reserves have been accumulated by denying the workers a living wage.

The AITUC holds that the reserve funds are created with the profits and the basis of the profits is the surplus value which the labour produces. With the winding up of the company the reserves cease to exist as such and are converted into profits and hence the workers have legitimate claim for the same.

The open intervention by the Government of India in the dispute between the management of the Madras Tramways Co. and their workers in favour of the employers is a challenge to the entire trade-union movement and democratic public opinion of our country. The AITUC calls upon all workers irrespective of affiliations to

protest against the government's intervention in the tramways dispute.

13. ON EMPLOYEES' STATE INSURANCE SCHEME

Since the last Calcutta Session of AITUC, the Employees' State Insurance Scheme has been introduced in more states and is about to be introduced in some other states very soon. Workers of all the states, where it has been introduced, are experiencing more or less similar defects in the scheme itself. The contribution by the employees has become the main cause of resentment. It is true that the scheme of social security should be non-contributory and this principle has been agreed to by the working class of all the countries. The benefits of the scheme should be available to the members of the family as well.

While the workers have to contribute from their wages, the benefits under the Act are still meagre, as shown by the lack of proper medical attention, delay in getting necessary injections, special medicine, etc., and corruption in dispensation of prescriptions. No doubt these serious defects and the cuts in wages are bound to lead to protests on the part of the workers and they would be justified in such protests. All the same, the General Council holds that the workers must secure speedy application of the scheme throughout the country and its improvement wherever it has been applied.

The General Council calls upon workers in insured areas, to form ward committees of the insured and fight for improvements in the scheme locally and through the ESI Representatives of AITUC.

The questions of whether panel or service system is better, what are the disabilities of the doctors and chemists under the scheme to render effective treatment to the insured, what should be done to eradicate the administrative corruption, etc., should be studied with the concrete experience of the insured and their trade unions in the areas where the scheme is already introduced.

The General Council decides to sponsor a conference of representatives of the insured workers in the first half of March 1955 to chalk out plans to amend and improve the Act and its application.

14. ON TANDU DISASTER

This meeting of the General Council of the AITUC unequivocally condemns the management—the Dooars Tea Co. Ltd., of Tandu Tea Garden (Managing Agents: M/s. Gillanders and Arbuthnot and Co. Ltd.) who inhumanly sent to death scores of estate workers by

driving them away from the factory where they were taking shelter from the floods.

The Diana river following by the side of the Tandur garden rose in floods, and the workers residing in the low-lying areas rushed to the factory building which was situated on a hillock, and took shelter there from 16th to 21st August, 1954. On the evening of 21st August, though the floods had not completely subsided, the manager of the garden turned the workers out of the factory in spite of the workers' plea to be allowed to stay there till the floods had subsided. The next day, 22nd August, 1954, the floods swelled up, swept off the busters and scores of workers were swallowed up by the floods. The management tried its best to hide the truth of this tragedy. But with the visit of the AITUC representative to enquire into the flood devastation of this area, the truth was out and it was found out that 126 workers and members of their families, mostly children and pregnant women, had died in Tandur gardens. It is apprehended that the number casualties is much more than this. The AITUC demands that the government of India should institute a public enquiry and immediately secure compensation and relief from the British estate owners to the workers families of Tandur garden.

15. ON BANK EMPLOYEES' STRUGGLE

The General Council of the AITUC extends its whole-hearted support to the cause of the bank employees of India, who have rightly decided to resist the planned attack upon their wages and living standards by the bank lords and the India government through the arbitrary modification of the Labour Appellate Tribunal Award.

The General Council is fully conscious of the fact that the bank employees, in refusing to bow down before the dictates of the monopoly banking houses, both foreign and Indian, and their official patrons, are defending not only their own immediate interests but also the rights of the entire working people of our country. It is, therefore, the bounden duty of the democratic masses and particularly, of the organised working class and trade-union movement to stand solidly behind the bank employees in this common battle.

The General Council greets the bank employees for the exemplary spirit of class unity and organisation they have shown, thereby generating such mass support and determination as have enabled them to take the grave decision of an All-India Bank Strike to commence from December 10th, if their demands are not met. This fighting unity is the guarantee of their victory.

The General Council pledges the all-out and unconditional solidarity of the AITUC with the bank employees in their coming struggle and assures them of its unreserved support. It calls upon

all the affiliated unions of the AITUC to mobilise the support of the workers of all industries and all states behind the bank employees, and to fraternise with the latter especially in observing together the "Demands Day" on November 25th as called for by the All-India Bank Employees' Association. It further appeals to the workers and leaders of all other trade-union organisations and to all sections of the democratic public, to join hands in mobilising total country-wide support and solidarity actions with the bank employees.

The General Council authorises the Working Committee of the AITUC to take necessary decisions and issue suitable directives from time to time as the situation develops, with a view to rendering practical and effective support to the cause of the bank employees.

16. ON RAILWAYS

The General Council of the AITUC notes that since the last session of the AITUC held at Calcutta in May, 1954, the situation on the railways in regard to the redressal of the grievances of the railwaymen and the fulfilment of their demands has worsened. The Government and the Railway Board have refused to redress or accept any of the longstanding grievances and demands of railwaymen. The one man *ad hoc* tribunal appointed over sixteen months ago has not even started its sittings yet. The Permanent Negotiating Machinery established in January 1952 with a fanfare, to settle disputes between the railway labour and the administration, has proved a farce. The Railway Board and the government have, on the other hand further intensified their offensive on the railwaymen's service conditions and on their trade-union rights.

To curb the trade-union activities on the railways, in addition to the recently amended Railway Services (Safeguarding of National Security) Rules, 1954, denying even the right of appeal to a victimised employee, the Railway Watch and Ward Department has been reorganised into a Railway Security Force on the police model. This Railway Security Force is to function independent of all other railway departments in liaison with the state police and intelligence departments and has sweeping powers to deal with the situation on the railways. The terms of the recognition of unions communicated to the unions by the various administrations snatch away many rights and privileges that the recognised unions have so far enjoyed. These new terms of recognition deny the right of representation of individual cases by the unions, ban all union meetings inside the working hours of railwaymen and at any place where railway work is carried on. Similar restriction have been placed on enrolment of membership and collection of membership subscription or any other union funds. The above-said terms clearly state

that the administration will not treat union business as part of railway work.

On the one hand, these attacks on the trade-union rights of railwaymen are taking place, on the other hand the offensive of retrenchment by way of reduction of a number of posts and in some cases even by direct retrenchment as of 1000 class III staff on North-Eastern Railway is taking place. Increase in work-load is also proceeding in a planned manner in the workshops, sheds and offices.

This meeting of the General Council strongly condemns this policy of the government and the Railway Board to suppress the trade-union activities on the railways and to further depress the living and service conditions of railwaymen.

This situation on the railways has given rise to spontaneous protest strikes and demonstrations in various parts of the country on the railways, as for example, the half-day protest strike of over 15,000 railwaymen in Bombay on August 27, 1954.

But, the General Council regretfully notes that the leadership of the National Federation of Indian Railwaymen has failed to take any concrete steps to mobilise the mass of railwaymen against the offensive of the government and the Railway Board to carry forward their struggle to win their demands. The leadership of the Federation has also not taken seriously the unity initiated in July 1953 by the amalgamation of the two federations—AIRF and INRWF—into one single federation as a lever for building a powerful mass movement on the railways to checkmate the aforesaid offensive of the Railway Board and the government on the railwaymen.

The General Council, while reiterating its full support to the demands of the railwaymen, hopes that the mass of railwaymen who have long traditions of struggle will redouble their endeavours to build their unity and organisation and take initiative in mobilising themselves behind their unions inside the Federation to defend and extend their rights and win their demands.

17. ON COAL TRIBUNAL

The General Council of the AITUC notes the achievement of the significant victory of the coal mine workers organised in different trade unions and also those not yet organised in forcing the government to appoint the tribunal on an all-India basis, the first of its kind.

Despite the fact that the Government of India did not refer many important and pressing demands of the coal workers to the tribunal, the main demand, the question of wages of all categories of workers had been referred.

After eight months of the setting-up of the coal tribunal, the main hearing has begun from November 1st only.

This Session of the General Council of the AITUC notes that while the proceedings of the tribunal are going on, the conditions of the workers have been continuously worsening. This is mainly due to the refusal of the employers to fully implement the conciliation Board Award (CBA) and due to further cuts in the present wages and other facilities. Besides, the cost of living index, having risen further by 100 points, the real wages fixed by CBA which were very low have substantially gone down.

The General Council, therefore, demands that an interim relief in the form of an increase of 25% in the existing total wages of all categories of workers (both piece-rated and time-rated) be immediately granted. This increment should be granted after bringing the wages to the level of the CBA recommendations, as in many collieries substantial reduction has been effected.

The General Council urges upon the government to extend the terms of reference of the All-India Coal Tribunal by including the question of interim wage increase.

The General Council calls upon all workers and their organisations to unite and fight for the demands in the tribunal and mobilise all coal miners throughout the country to win the urgent demand of interim relief.

18. ON ATTACKS ON TRADE UNION RIGHTS OF COAL WORKERS

The General Council of the AITUC views with deep concern the alarming situation in the Jharia-Dhanbad and some other coal belts which is threatening to paralyse the normal trade-union activities. The attacks on trade-union rights have been so intensified that today throughout the whole area of Dhanbad and Jharia coal belt, there is a permanent ban on processions, indiscriminate imposition of section 144 Cr.P.C. from time to time and mass-scale arrests of militant miners.

The role of the police in this area deserves special attention. It is being used as a tool of oppression by mine magnates to crush all militant trade-union organisations. Hundreds of miners and trade unionists are implicated in all types of cases in order to terrorise workers from joining trade unions. For example, in a single colliery nearly 400 miners are being prosecuted, on hundreds charges.

The AITUC organised a visit of two Members of Parliament to Amlabad and certain other areas in the Jharia belt for an enquiry. They have confirmed the alarming situation of goondaism existing in the coal areas. The General Council appeals to the Members

of Parliament to send an all-party Parliamentary Delegation to the areas, and make an on-the-spot enquiry.

The General Council strongly urges the government to take stern steps against the goonda elements and see that normal trade-union rights are restored. The General Council further demands:

- (1) Immediate withdrawal of all cases against the trade-union workers;
- (2) Release of all trade-union workers; and
- (3) Removal of all restrictions on holding meetings and processions.

The General Council calls upon all workers and organisations to launch a united campaign to defeat the conspiracy of the employers and safeguard the fundamental trade-union rights.

19. ON METAL AND ENGINEERING WORKERS

The General Council of the AITUC views with grave concern the prevailing unsatisfactory condition and level wages of the workers in the metal and engineering industry. In spite of the fact that the engineering industry has grown up to a certain extent in recent years and the engineering concerns have been earning greater and greater profits, the service conditions of the engineering workers have not improved. On the other hand in the 1951-53 period, more than 50,000 workers had been retrenched, TISCO alone having discharged more than 6,000 workers in a single year, and even the wages have been affected adversely in this period.

The government has failed to co-ordinate the working of the large, medium and small units in this industry. Also the idle capacity in the engineering industry has grown to the extent of 25 to 30 per cent of the installed capacity in many units mainly due to government's policy. The AITUC urges that a proper policy of co-ordination of the various units in the engineering industry should be adopted thereby giving an impetus for the rapid industrialisation of our country, and ensuring the security of the services of the workers.

The AITUC deplors the attitude of the management and the government in not having conceded the just demands of the Burnpur workers and not having assured them trade-union rights to join the union and elect their own office bearers. The Burnpur workers carried on a heroic struggle for 8 months and then the government gave certain assurances, but till today nothing has been done to meet the demands of the workers. The AITUC, therefore, urges that the government should intervene and secure justice to the Burnpur workers. It also urges the government to take energetic steps to improve the lot of engineering workers who form the backbone for any plan of industrialisation of our country.

The AITUC calls upon the engineering workers to fight the various efficiency drives of the employers, workload, speed-up and similar forms of rationalisation and to take up the issue of greater employment in their factories by full utilisation of the installed capacity of the factories. The AITUC urges the trade unions in the industry to agitate for winning the following demands:

1. A general increment of 25% on the present wage and dearness allowance.
2. Proper classification of various categories of engineering workers and fixation of higher rates of wages and adequate dearness allowance to compensate for the rise in the cost of living.
3. An Expert Committee which will also include representatives of trade unions should be set up to determine classification of workers, their time-scale, promotions, apprenticeship conditions and higher training facilities.
4. House-rent allowance at the rate of Rs. 15 to the group getting less than Rs. 100; Rs. 20 to those getting between Rs. 100 to 200 and 10% of the pay to the higher income groups.
5. Replacement of daily- and hourly-rated system by monthly-rated system.
6. 44 hours of work per week.
7. Abolition of contract system.
8. Night duty allowance, at $1\frac{1}{2}$ times the rate of wages.
9. 15 days' casual leave with full pay and 20 days' privilege leave with full pay.

20. ON ARRESTS AND DETENTION

This meeting of the General Council of the AITUC strongly protests against the arrest and detention of Com. P. K. Kurane, General Secretary of the Bombay Resheem Mazdoor Union, under the Public Safety Measures Act.

This meeting considers that this unwarranted action of the Bombay government has come as a result of its erstwhile policy of discrimination against AITUC unions in respect of granting recognition, and to foist new wage-cuts upon silk workers as determined by the employers and the government.

This meeting further condemns the arrest of Coms. Mahatam Singh, Rachpal Singh, Vir Bhan, members of the PTUC Working Committee, and 11 other trade-union leaders of Amritsar on various charges connected with their legitimate trade-union activities. This meeting demands the unconditional release of Kurane and others and withdrawal of the cases against them.

21. AGAINST POLICE CASES AT PALI AND BEAWAR

This meeting of the General Council of the AITUC strongly condemns the goonda attacks on a number of union militants including the General Secretary of the Textile Labour Union, Pali, and also launching of police cases, under instigation from the mill management.

It also condemns the method of terrorisation resorted to by the police authorities at Beawar (Ajmer state) who have involved over 60 union militants in police cases.

The General Council condemns such attitude of the mill owners and the government which prevent ordinary functioning of trade unions.

It requests the government of Rajasthan, Ajmer and also the central government to take necessary action for withdrawal of the cases and restoration of normal trade-union rights in these centres.

22. ON MADRAS BEEDI WORKERS

This meeting of the General Council of the AITUC condemns the brutal lathi charge on Tajmahal beedi workers, Madras, by the police and the arrest of scores of workers while they were conducting strike struggle and urges the Madras government to institute an enquiry on the lathi-charge and take necessary steps to bring the tens of thousands of beedi workers under factory system after removing the middlemen such as branch-managers with due compensation to them.

23. ON ILLEGAL LOCK-OUT OF OLD MILLS IN HYDERABAD

The General Council of the AITUC strongly protests against the attitude of the government of Hyderabad for having so far not taken concrete steps to open the Hyderabad Spinning and Weaving Co. which has been illegally locked-out for the last 10 months throwing 1700 workers on the streets.

The General Council condoles the death of 22 workers of this factory who died during the last 10 months due to starvation, disease and even suicide due to horrors of unemployment.

The General Council greets the United Action Committee of these workers for the heroic struggle it is conducting and extends its support to any united action that the workers shall launch to get the mills re-opened.

24. ON LOCK-OUT IN CHINA MILLS

This meeting of the General Council of the AITUC greets the 3500 workers of China Mills in Bombay who are fighting unitedly to remove the illegal lock-out of the mills.

25. ON MEHRA TEXTILE MILL WORKERS STRUGGLE

The General Council of the AITUC extends its greeting to the workers of Mehra Textile Mills, Amritsar, who have been illegally locked-out since 27th September 1954. The lock-out was declared when the workers presented their charter of demands. The General Council is of the opinion that the demands of the workers are just and condemns the declaration of lock-out by the mill owners.

The General Council congratulates the textile workers of Amritsar on going on one-day protest solidarity strike in sympathy with their locked-out comrades, and all the workers of Punjab, PEPSU and Himachal Pradesh for holding a united protest day to demonstrate their solidarity with the workers of Amritsar.

The General Council condemns the arrests of 12 trade unionists of Amritsar in connection with this struggle and demands that:

(1) The government immediately take steps to have the lock-out lifted.

(2) The government release all arrested persons immediately and unconditionally.

(3) The demands of the Mehra textile mill workers be immediately fulfilled. —

26. ON STRUGGLE OF NIEMLA FINISHING MILLS WORKERS

This meeting of the General Council condemns the lock-out imposed by the management of the NIEMLA Finishing Mills, Amritsar, and extends its greetings to the workers of this mills.

The General Council calls upon the Punjab government to have the lock-out lifted at once and restore the normal working of the mills.

27. ON STRUGGLE OF TEXTILE WORKERS OF NAGPUR AGAINST VICTIMISATION

This meeting of the General Council of AITUC strongly condemns the victimisation of 14 trade-union workers by owners of the Empress and Model Mills of Nagpur. The trade-union workers were victimised for their participation in a strike resorted to by the workers to safeguard their trade-union rights and protection of civil liberties.

This meeting also extends its support to the struggle of the Nagpur workers to get these victimised workers reinstated.

28. ON CERAMIC WORKERS' STRIKE

The General Council of the AITUC greets the workers of the Refractory and Ceramic Workers, Raniganj (West Bengal) who have been on strike for nearly 7 months to secure better conditions of work and higher wages, and against victimisation of union leaders. The AITUC whole-heartedly supports the demands of the workers and protests against the pro-employer policy of the state government which refuse to intervene for a just settlement of this protracted dispute. Encouraged by this official attitude, the monopolist owners have threatened to keep the factory closed until "peaceful conditions" are restored, by which they mean that the workers should accept dismissal of nearly 500 workers whom the management considers to be "subversive" elements. A virtual lock-out has thus been imposed.

The AITUC strongly condemns these fascist tactics of the company and demands of the West Bengal government that immediate steps be taken to get the factory opened and to ensure security of employment for every worker without exception, on the basis of no victimisation, no retrenchment, and re-instatement of all those dismissed in connection with the present dispute.

The AITUC calls upon all unions and workers to mobilise support and solidarity with the cause of the ceramic workers in their heroic and dogged struggle.

29. ON GRAMOPHONE WORKERS' STRIKE

The General Council of the AITUC extends its greetings to the workers of the His Master's Voice and Columbia Gramophone Factory, Calcutta, who are conducting a dogged strike for the last 3 months for bonus, introduction of a graded system, retiring gratuities, and reinstatement of 30 victimised workers.

The AITUC considers that these demands are extremely just and reasonable, and denial of them is a measure of the profiteering sought to be carried on by the British monopolist owners. Instead of intervening in favour of the workers, whose union is affiliated to the INTUC the government of West Bengal is seeking to impose a tribunal on them against their wishes, leaving the victimised workers to their fate.

The AITUC, therefore, fully supports the demands and struggles of the gramophone workers and urges upon all unions and workers to mobilise support and solidarity with their cause and to help them to achieve victory.

ON BONUS

[Report submitted by P. Balachandra Menon to the General Council of the AITUC held at Nagpur on 14-18th November, 1954.]



AITUC PUBLICATION

ON BONUS

During the post war period while the employers have not been able to effect any direct wage-cut in major industries, because of the united resistance of the workers, they are making the same through workload increase, reduction of the quantum of bonus or denial of bonus. In this, the stand of the government and of the tribunals regarding bonus has been of immense help to them. There is no law or fixed principle for the granting of bonus or regulating the same. But the Labour Appellate Tribunal has evolved a formula, which in effect has meant denial of bonus in most of the smaller industries and fixing of ceiling on the quantum in such industry making abnormal profits. The Planning Commission in the Five Year Plan wanted that cash payment of bonus should be restricted. They wanted to prevent the diversion of resources into consumption. This line laid down by the Planning Commission has affected the decision of the tribunals. The tribunals have shifted their position on the nature of the demand for bonus from the juristic view of explicit or implied contract, to the price of labour, share of profits and deferred wages. Finally they have now come to the ceiling of bonus "in the interest of consumers".

THE NATURE OF THE DEMAND FOR BONUS

Payment of bonus was being made to Bombay mill workers since first world war. The bonus dispute committee set up by the government of Bombay in 1924 declared that the mill workers who are being paid bonus since 1919 have not made any enforceable claim and left it as a question of bargaining between the workers and the management to be decided on grounds of equity. The managements always maintained that bonus was an *ex-gratia* payment. In the Award relating to Prem's Spinning and Weaving Co. labour dispute in 1946, the adjudicator remarked that the accepted principle for considering the demands for bonus as trade dispute is, that it must be proved that there is an explicit or implied contract in

the terms or conditions of the employment. This view was not accepted by the workers who held that bonus is deferred wages and had priority over all other items of cost. Thanks to the determined battle put up by the workers, the government was compelled to appoint a committee in 1948, one of whose functions was to lay down the principle of bonus. The committee was not unanimous in its decision. It suggested an experimental scheme of profit sharing in a few well-established industries and suggested labourers' share should be fixed at 50% surplus profit of the undertakings.

The industrial courts were compelled to change their stand from the contract theory and to examine the issue from the broader view point of equity and justice. The Industrial Court, Bombay, observed in an award relating to the dispute between Mill Owners' Association, Bombay, and the employees that in the domain of industrial relations between the employers and workers, the rights and duties of parties are not mainly governed by civil laws. An adjudicator in West Bengal held that when bonus is demanded for work done out of which the employers make high profits, the demand is not for any payment gratis but price for labour. The Labour Appellate Tribunal has held that bonus is not an *ex-gratia* payment. The adjudicators have taken the view that profit being the result of joint efforts of various parties in production and labour being one such factor, it should be entitled to a share in the profits. Some adjudicators have also held a workers' share in profits is taken for granted if the industry or undertaking is making a profit, and if it is paying wages to workers which are below the living standard wages. "The claim of workmen for a bonus so long as the living wage standard has not been attained, will remain justifiable and it must have precedence over items of cost, such as managing agents' remuneration, commission, taxation provision and all reserves other than for depreciation and general reserves." In an award in the dispute between the Mill Owners' Association, Bombay (80 textile mills of Bombay City) and their employees, the tribunal observed that "the demands for bonus derives its strength where the living wage standard has not been reached, from a feeling of deficiency in the means to attain the necessary standard of living. Therefore, the bonus in such circumstances, no doubt, serves as a temporary satisfaction wholly or in part of his need. Theoretically, adequate wages and dearness allowance should be the first charge of any industry. Labour as well as the working capital employed in the industry both contribute to the profits made, and both are therefore, entitled to claim legitimate return out of the profits, but such legitimate return as far as labour is concerned, must be based on living wage

standard. It is, however, to be remembered, that a claim might be admissible even if the living wage standard were completely attained, it may therefore, be stated that so long as living wage standard has not been attained the bonus partakes primarily the character of the satisfaction, often partial and temporary, of the deficiency in the legitimate income of the average worker in an industry and that once such income has been attained, it would also partake of the character of profit sharing. Owing to this dual character of bonus, it would be a mistake to regard it as profit sharing pure and simple."

EMPLOYEES' RIGHT TO CLAIM IN THE SHARE OF RESERVE FUND & CAPITAL ASSETS

There are two important cases, one the Kanpur electric supply dispute and the other Madras tramways dispute where the employees claimed a share in the reserve funds when the concerns were being taken over by the government as in the Kanpur case or wound up as in the tramways. The adjudicators held that the reserves had been created out of yearly profits and that as the sharing of the annual profits has been accepted as the legitimate claim of the workers, the workers have every right for the reserves, which after the winding up of the company ceased to be reserves and therefore, are treated as profits. In another dispute, between the Bombay Electric Supply and Tramway Company Ltd., Bombay, and its employees, Justice Divetia, who was appointed as tribunal, rejected the demand on legal grounds as he held that under the Indian Companies Act, the property of the company could be distributed only among the members of the company. The award of the adjudication in the Madras tramways has created panic among the employers and the central government has appealed against the decision and has requested the Labour Appellate Tribunal to implead the government as a party in view of the far-reaching implications of the award.

In a number of recent decisions in Travancore-Cochin State, bonus has been accepted as deferred wages partaking of the character of satisfaction of the deficiency in the legitimate income of the worker and in one case the adjudicator allowed the customary bonus, of 4% of the total wages to workers in spite of the fact that the industry had not made any profits.

The Labour Appellate Tribunal through its formula has worked out certain principles regarding the payment of bonus which has resulted in the managements' suddenly becoming rehabilitation conscious. The formula, as laid down by the

full bench, provide for depreciation, reserves for rehabilitation, taxation, interest on paid-up capital, and reserves.

“There can be no doubt that provision for (1) depreciation of fixed block consisting of lands, building, plant and machinery, (2) reserve for rehabilitation and modernisation of that block worn out during the past year, (3) taxation, (4) reasonable dividends to share-holders, must take precedence over bonus”. (Rashtriya Mill Mazdur Sangh, Bombay, and another *versus* Mill Owners’ Association, Bombay)

In its recent decisions, the Labour Appellate Tribunal has held that bonus is not profit sharing. “Even otherwise it is not the principle that after surplus available is found, the whole should be disposed of by paying bonus. The excess amount should be reinvested in the concerns so that more employment may be found and consumers should be given benefits by way of lowering the prices in the general interest of the people.” (Associated Cement Co. of India.) In the famous Buckingham & Carnatic case, 1951, the Labour Appellate Tribunal refused to allow higher bonus though there were surplus profits. The decision of the Labour Appellate Tribunal in 1953 in the dispute between the Automobile Products of India and their workers negated the contention that in cases where large profits are available, there should not be any ceiling on the quantum of bonus. Bonus should not assume the character of profit sharing in the interest of consumers. Thus, the question of bonus has passed through various stages and now it is no more a deferred wage or a share in profits.

The AITUC reiterates that bonus is deferred wages and that workers should have priority for the same over all other items of costs irrespective of the profit or loss in any industry.

In industries that have not made profits or have made only nominal profits, workers should be given one-twelfth of the total yearly earnings as bonus.

In industries making profits the AITUC places the following formula for determining the quantum of bonus to the workers:

1. Gross profit should be arrived at excluding the managing agency commission.

2. From the total gross profits, depreciation for machinery should be granted at 3% of the original cost and for building at 2%. A dividend of 4% on paid-up capital is to be allowed. Out of the remaining amount 50%

should be the share of the workers towards bonus. Amount for rehabilitation, replacement, modernisation of plants, and for taxes, etc., should come out of the 50% left in the hands of the management.

The huge amounts now set apart for various items of cost are done solely with the object of cutting down the available surplus and thereby denying the workers their claim for bonus.

In this connection it is to be noted that the committee appointed by the government in 1948 to lay down the principles of bonus has suggested that 50% of the surplus profits be treated as labourers' share.