

# **A HISTORY OF THE KAMALAPURI TEXTILE INDUSTRY**

## **Vol. II**

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## CHAPTER FIVE

### To Compute is Divine

The fifties of this century saw what may perhaps be best described as a renaissance in management in India. This new renaissance had its origins in the temples of learning such as the Harvard Business School and similar institutions. They were the Constantinoples of this new movement from where scholars went to various parts of the world to spread this modern philosophy, knowledge and wisdom. This process was known in those days as A.I.D. I think the letters stood for American Aid for Development. But unfortunately, another movement with the same initials had started at about the same time. It was Artificial insemination by a Donor. So the new scholars went forth to various countries to spread this new wisdom, to fertilise the arid lands of managerial deserts, particularly in the developing nations. American aid was of course very useful in accelerating this process. Productivity teams were exchanged between not only Europe and the United States, but between other countries such as India and Japan. New management techniques, developed during the war were available for civilian production. Words like productivity, quality control, production planning, were popular and fashionable. Some of the more sophisticated techniques were still to come, but a totally new terminology had arrived on the management scene. If something had to be done, one did not ask 'when'? Instead, one enquired, 'have you added a time dimension to the problem?' We did not go into a question as we used to do in the old days; we undertook a study in depth. We did not take a long term view; we prepared a perspective plan. No one enquired if you have people to do the job; but they wanted to know if you had adequate resource personnel. The new terminology was often mistaken for original thought. A judicious use of such expressions in any business discussion made one appear wiser and more knowledgeable.

Another fashion that accompanied the management boom was the widespread use of initials to refer to techniques as being more efficient and less time consuming. There was of course the A.I.D. to start with. Then, there was S.Q.C. (Statistical Quality Control), P.P (Production Planning), H.R.(Human Relations) C.P.M. (Critical Path Method) and so on. Any one who did not know what these initials meant was pitied and was ready to be buried in the management cemetery.

Many new organisations also came into being in order to spread the message of this new philosophy. Productivity councils, associations of management, quality control circles, etc., organized training programmes and started telling groups of bewildered managers how they should run their factories from now on and how wrong they had been in the past. The practitioners of these new techniques were a dedicated breed. They were the preachers of a new creed. Their job was not merely to improve productivity or reduce cost. They were committed to a new philosophy, primarily interested in converting the uninitiated and the unconvinced. They were like the missionaries in the African jungle in the nineteenth century.

There were generally speaking three kinds of response from managements in India to these developments. Some ignored them, fully confident that the new fads would soon be forgotten. Some tried to learn about them seriously and sincerely, understood the scope as well as their limitations and

tried to profit from them. But some took to them with the same kind of blind devotion with which they had taken to astrology in their social and domestic lives, in the hope that they will work miracles when once they were introduced.

The respectable and tradition bound industrialists and business men of Kamalapur, used to time-honoured methods of running their businesses, looked upon such new fangled ideas with tolerance and good humour. Fully convinced of their own eternal wisdom, they were confident that these attempts would fail in the long run and the innovators would see the error of their ways and return to the old methods in the near future. They could afford to be good humoured and tolerant because they were still enjoying the benefits of the post-war boom. It was still a sellers' market; they were making good profits and the depression of the sixties was still a long way off.

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On the other hand, the textile industry of Kamalapur could not be impervious to these world-wide developments. A productivity council, two management associations, a statistical quality control unit and similar organisations were established with various industrialists becoming presidents and trade union leaders becoming vice-presidents, just to show that there was no discrimination. The number of organisations started was only limited by the number of leading industrialists available as presidents. They started running training programmes to train middle management personnel in the use of various techniques. Many managements, already short of supervisory personnel were hard put to find people to send to these programmes. Still, most of them did so, not because they were interested in making use of the techniques, but mainly to get rid of the office bearers of these organisations or to oblige the president who was usually a very influential man in the town.

Normally, Mr.Gajapathy Raj, chairman of the Blue Chimney Mills limited, would have ignored these new fangled ideas and kept away from them. But his son Raghava Raj who was a university man, seemed to think there was something in these ideas. While the senior Raj kept a tight control over all important activities of his mill, he did like to encourage the younger generation in his own way. And when he was offered the chairmanship of the Kamalapur branch of the Institute of Personnel Management, he was fully converted to the cause of modern management and gave it his powerful support. So, instead of spending his evenings at the rummy table of the Kamalapur Club, he divided it between the various new organisations, dutifully read out the speeches prepared for him by more knowledgeable people and spoke to his friends on how they must change with the times, particularly with regard to human relations and industrial psychology. That he got mixed up between psychology and physiology was neither here nor there.

As soon as the management boom got going in Kamalapur, Mr.Raj instructed his office to set apart one supervisor as a 'training officer'. His job was not to train others, as one would have expected, but to attend every training programme conducted by every organisation in Kamalapur. Sometimes, it so happened that there were two training programmes going on simultaneously. If so, the times had to be adjusted suitable so that he could attend them both. Under these circumstances, the Blue Chimney Mills became the torch bearer of the modern management movement in Kamalapur. Training was

prescribed as a panacea for ills of management just as castor oil was prescribed was for all the ills of children in our grand mothers' time. If a man didn't do his job well he was told to quit in the old days. But now he was elected for management development.

Mr. Bogilal who had been languishing as a night supervisor in the Blue Chimney Mills with very little hope of promotion, suddenly found himself attending classes in air-conditioned rooms, having well prepared and nicely served lunches and discussing with learned professors from the United States subjects such as motivation and morale, non-financial incentives, statistics as a management tool, the relationship between techniques and technology, etc. He was delighted in listening to the lectures – particularly the jokes with which they were interspersed. When one professor said that productivity and job satisfaction could both be achieved satisfactorily only in the privacy of the bed room, he was not quite sure what he meant, but laughed dutifully with the rest. Instead of throwing away the handouts as soon as the course was over as many of his colleagues did-he preserved them carefully in neatly docketed files, for future reference. He cultivated friendships with the speakers and kept up a correspondence with them even after the programme was over. All this broadened his vision, made him a master of the modern terminology of management and he appeared very knowledgeable among his colleagues in the departments. Over a period of two years, he attended courses on such diverse topics as quality control, production planning, human relations in industry, cost control, and once, even such on obscure topics as PERT, C.P.M. etc. which were then coming into fashion. He had also accumulated a small library of notes and handouts on these subjects as well as many certificates as evidence of having attended all these courses.

When at last the courses had run dry and his bosses decided that he should go back to his duties as night supervisor, he was revolted at the very idea. Attending these courses had kindled a spark of inspiration that lay dormant in his soul. He was now fully 'motivated' and had become 'achievement oriented' as one of the professors had told him. He realized that he was in a different league altogether from that of night supervisors and that lot. He submitted his resignation, shook the remaining cotton dust off his clothes, rented a smart office and put up a board as a management consultant. He was now running classes on all those subjects in which so recently he was a student. The notes and handouts that he accumulated came in very useful. They were carefully 'updated' so that no charge of plagiarism could be leveled against him. Very soon, he was not only reported to be doing extremely well financially, but was also aspiring to become a UNIDO consultant and was to be sent to one of the third world countries as a management expert!

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After this somewhat unfortunate experience with the night supervisor, Mr.Gajapathy Raj had to explore other avenues of introducing management techniques into his company. It was then that he learnt – from one of the foreign experts who made a courtesy call on him – that old supervisors rarely adapted themselves to new techniques. They generally had a negative attitude and refused to accept new ideas. New people were essential to introduce new concepts into an organisation. Mr. Raj was aware his costs were increasing and he was worried about it. So, when the expert suggested that a cost

control officer should be appointed, he jumped at the idea. With the help of the local branch of the institute of financial management, a brand new cost accountant was recruited and installed in the office.

The cost control officer – C.C.O. as he came to be known – was a very conscientious worker. He made a systematic study of all operations and the costs involved and suggested economies in every department. One month, it would be excess consumption of lubricants; the C.C.O. would fix norms of consumption and ask for explanations when they were exceeded. The next month, it would be consumption of dyes and chemicals, or a cut in bobbin consumption. His reports were duly sent to the heads of departments concerned with a copy to the Chairman's office for follow up action. In fact, he made a thorough nuisance of himself and was soon the most unpopular person in the entire organisation. The fact that the chairman had not bothered to look at his reports or take action did not matter. At any time, he might take it into his head to do so. And then they would all be in trouble. Something had to be done before such an eventually.

It was at this point that the old accountant who had been in the organisation since its inception and who was a confidant of Mr.Raj came into the picture. He was the one who used to travel with Mr.Raj in his bullock cart for collecting shares for the mill in the old days. Since the arrival of the C.C.O. his own position had been somewhat compromised, and he did not take kindly to it. He therefore decided to take a hand in setting things right. One fine morning, he approached his colleague and suggested to him, "Have you had a look at our petrol bills lately? They are sky rocketing you know? What with the increase in the price of petrol and the need to economise ....." He did not finish the sentence.

"Yes, I have been meaning to get round to it", said the C.C.O. who was pleased with his colleague for suggesting it. "But I thought I will start with the mill operations first".

"But it is these outside expenses over which we have no control", said the old accountant. "You know what these drivers are. Only the other day, the chairman was saying ....." Again the accountant trailed into vagueness.

"I will get on to it right away", the C.C.O. assured him.

"You do that", said the accountant and departed to his own desk, pleased with a job well done.

True to his word, the C.C.O. gathered all the information on petrol consumption for the past twelve months and analysed them vehicle wise. He was amazed to find that petrol bills for one particular vehicle KMA 654 had been steadily increasing during the year. He prepared a note for submission to the transport department with a copy to the chairman's office as usual. He also suggested that a limit should be placed on the consumption of that particular vehicle and he himself would monitor it every month in future. He also suggested that the driver should be warned that he should not exceed the limit. The old accountant made sure that the report in due course found its way to the chairman's desk.

No one had bothered to inform the C.C.O. that particular vehicle was a Mercedes Benz for the personal use of the chairman and he often liked to drive it himself.

“What is the meaning of this?” Mr.Raj asked the accountant. “Who authorized him to check how much petrol my car was consuming?”

“But he has been interfering with the working of all the departments sir!” cried the accountant. “He thinks he is Chitragupta, the divine accountant entitled to judge and evaluates everyone”.

“Alright, how much money has he saved the company so far?” asked the chairman. He was furious.

“I don’t think he has saved a paise so far”, said the accountant. “But he has wasted a lot of time and paper writing reports that no one reads. And he has also succeeded in annoying every head of department because his suggestions are unimplimentable, just like this one. It is goes on like this for any length of time, you need not be surprised if some of them decide to resign and go elsewhere”.

“Alright, ask that chap to come and see me”.

The accountant had prepared the ground well. But now he stood hesitating.

“What is it?” Mr.Raj asked. “Come out with it”.

“It is not my business to interfere with the company policy, but I have a suggestion to make sir”, the accountant again hesitated, but went on. “It is just that I must do my duty. If he is sent out, we will be saving two thousand five hundred rupees per month. It will be the biggest saving that we can achieve at the present time. In these hard days, when we have to watch every paise.....” the accountant trailed off as was his habit. Obviously, he was a master of the unfinished sentence. Not for nothing was he known as ‘Unfinished Iyer’ among the junior clerks.

And that was the end of the cost control officer as far as the Blue Chimney Mills was concerned.

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Mr.Gajapathy Raj was endowed with certain virtues. One of them was persistence; the other was loyalty to a cause. Meeting foreign experts and discussing problems with them and making speeches about the need to modernize managements in India, he became a great believer in modern techniques of management. He did not give up easily and one set-back did not deter him. He was determined to introduce them even if he had to close his mill in the process. Someone at the rummy table at his club had told him how statistical quality control had helped his factory to improve quality and save cost. It was the most important and useful of all techniques and the easiest to implement. All that was necessary was to get a good statistician and let him get on with it, which was exactly what Mr.Gajapathy did soon after sacking the cost control officer.

The S.Q.C. man was even more concenscious than the C.C.O. He went through the results of yarn and cloth tests and was able to prove that the testing assistant – the wrapping clerk as he was

known – was cooking up the results and made him his sworn enemy. But the testing assistant did not have the same clout as the accountant and therefore could not do very much about it. The S.Q.C. man also laid down sampling and inspection procedures for all materials purchased and made an enemy of the stores purchase officer. He also prepared control charts and fixed control limits at critical points in the process of spinning and weaving. He instructed the workers to reject material unless it was within the limits fixed by him. He plotted the charts daily with blue points for the material accepted and red dots for the material rejected. But the workers, under instructions from the departmental heads ignored his charts and went their usual ways. As one departmental head explained to him, “Look here young man, you may have a lot of book learning, but I have been here for twenty five years and I know what I am doing. If there are too many rejections, there won’t be enough material for the next department. And if there are too few, the manager will think I am not doing my job properly. So, I always reject one out of every ten. And the system has worked very nicely so far. So, don’t you go and upset the apple cart and get yourself into trouble, like the last one did”.

The S.Q.C. man was thoroughly frustrated. But he was made of sterner stuff than the C.C.O. and also knew that he would not get into the bad books of the chairman as the previous man had done. He thought he would beard the lion in its den and requested the chairman to have a meeting of the heads of departments so that he could explain the quality control techniques he was using and help in their implementation. With patience and perseverance, he was able to have his wish one morning when the chairman was at a loose end wondering if he should take the day off.

This was something most unusual in the Blue Chimney Mills. In fact, they did not even have a room suitable for such a meeting and it had to be held in that sanctum of sanctums, the board room, an awe inspiring place to ordinary mortals like the heads of departments who had never been there. Mr.Gajapathy Raj, his father and uncles were staring down on the assembled gathering with grim and gaunt faces. But undaunted by such an environment, the S.Q.C. officer spread his charts on the table and began his explanations. He explained about the natural limits of variation of the machines, about X-bar and Y-bar charts while the chairman was wondering if he could get away in time for a glass of beer.

“There you are gentlemen”, concluded the S.Q.C. officer with a flourish. “It is really very simple; all you have to do is to follow the charts and you will be saving thousands of rupees for the company every month. Any questions?”

There was pin drop silence. People kept looking at their watches. “Well, I suppose that concludes the meeting”, said the chairman.

“Sir”, the sales manager who was known for being the most talkative spoke up. “Look at those charts sir! He held one up for the chairman’s inspection. “They are beautiful! Simply beautiful! They remind one of science and technology, of modernism, of progress. Those simple dots and lines and symbols with X-bars and Y-bars in red and blue add dignity and distinction to any advertising campaign. I suggest that these charts – and I hope my young friend will produce some variations in the near future with all his talent – be printed on fine translucent paper and used for wrapping our more expensive saris

with the words 'Our fabrics are one hundred percent Quality Controlled' printed on them in bold letters".

The chairman smiled. Everyone applauded, 'Hear! Hear!' 'Very good!' and so on.

"A very original idea; quality control is not bad at all. See that it is carried out, will you?" the chairman instructed the sales manager as the meeting concluded. Everyone felt that S.Q.C. was a great success.

And the S.Q.C. officer, not able to bear the use to which his knowledge was put, left of his own volition to more congenial pastures.

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Mr.Ramesh Prasad, chairman and managing director of the Red Chimney Mills was observing with mixed feelings, the success story of the application of modern management techniques in the Blue Chimney Mills. In fact, he was getting regular bulletins as to what was happening there. Mixed feelings because, he felt there may be something in all this talk of modern management and he should profit from it. On the other hand, when Mr.Raj became prominent as the president of the Institute of personnel management, he did not want to have anything to do with it. When the honorary secretary of the local productivity council called on him to seek his support as well as membership, he listened to him with some degree of attention. After he had talked about the importance of productivity in the modern world, Mr.Prasad answered rather cryptically "Oh, I have nothing against productivity so long as it doesn't interfere with production".

And then he asked the secretary, "And what is the Blue Chimney Mills doing about all this?"

"Mr.Gajapathy Raj is taking a very active and personal interest in the productivity movement", replied the secretary with a smile. "As a matter of fact, he has just been elected as the president of the Institute of Personnel Management".

"That is only for the purpose of making speeches", said Mr.Prasad. "But what has he done?"

"I understand he has recruited a cost control officer to introduce modern costing methods as a first step".

"I suppose they need to reduce cost drastically", Mr.Prasad said almost to himself. "Otherwise they will be in trouble. But it is a sure sign it won't work. I have my own system of cost control you know; a fool-proof system. I have had it for a long time".

"Oh?" the secretary expressed mild surprise. Like all great enthusiasts, he believed that all these techniques were brand new inventions from the west. "Do you follow the standard cost method or the system of historical costing?"



“I don’t understand all these fancy words”, Mr.Prasad brushed him aside. “My system of cost control is very simple. I keep my cheque book locked up. And I don’t issue a cheque unless I have made sure it is absolutely necessary”.

The secretary was somewhat taken aback.

But Mr.Prasad continued. “And another thing, I never pay a bill unless I get a reminder. A man may sometimes send you a wrong bill for goods he has not supplied. But he will never send you a wrong reminder”.

“I have never thought about it”, the secretary admitted.

“Instead of getting a whole lot of American experts who come and talk to us about what they are doing over there, you ought to invite people like me to come and give some lectures on how to run a business successfully”.

“Perhaps you could preside over one of our meetings sir”.

“And the next important principle of cost control is, the cashier who handles money should always be a near relative, preferably dependant on your family”.

“How does that help sir?”

“Then, even if he fiddles with the cash, it will still remain within the family”. He concluded.

Partly to get rid of the secretary of the productivity council and partly to find out what it was all about, Mr.Prasad agreed to send one of his supervisors to the next training programme on human relations in industrial undertakings. There was one particular supervisor he had in mind for that course. He was known as a terror to the workers. If a worker did anything wrong either due to ignorance or due to negligence, he did not bother to explain to him what he had done wrong or how to put it right. Nor did he bother to report to the office about the worker so that an enquiry could be held into the incident. In the good old days before the unions came into existence, he would have beaten the worker, but now, he merely called him into his office, shouted abuse and threats and made the worker fear for his life. It was said that even union officials were afraid of him. To put it in modern terminology, he had a negative approach to human relationships. Mr.Prasad thought he would be a good candidate for the course on human relations in industry.

The supervisor attended the course, appreciated the lunches and the coffee breaks, agreed with everything that was said – more out of politeness than for any other reason – collected a certificate and returned to work, all the better for his experience.

As it happened, on the very first morning after his return, he caught a worker doing some thing wrong. "Look here fellow!" he shouted at him. "I don't care how many human relations courses they send me to, if I catch you doing this again, I shall place my foot behind your back and kick you so that you will find yourself outside the factory gates! Understand?"

"Yes sir", said the trembling worker.

"Just remember that!" shouted the supervisor. And then, asked in a different tone of voice, "By the way, how is your mother?"

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Nevertheless, Mr.Prasad was a worried man. He felt that since that fateful day in December, Nineteen forty one, when he failed to buy off his rival's mill, Mr.Raj had been steadily getting ahead of him. Now he had got on to the productivity band wagon. Mr.Prasad did not know if there was any profit to be made out of it, but certainly Mr.Raj was getting all the kudos for being a progressive industrialist while he himself was languishing with no publicity or popularity. He had to do something about it. But it would not do to follow Mr.Raj and become president of another organisation or introduce another technique of doubtful validity. It had to be something original, something that no one in Kamalapur was doing.

It was then that an expert who had paid a courtesy call told him about the Training Within Industry (T.W.I.) programme. "It is no use training one man or even two men in your organisation", said the expert. "It only makes the other supervisors jealous. And those who are trained think they ought to be promoted. What is necessary is to train all the supervisors in your organizational change and cooperate with the managements in the introduction of such changes. They will not be anxious about their jobs.

"This is what my organisation requires", Mr.Prasad told himself. "A total and complete change that no one in Kamalapur has thought of". So, the T.W.I. programme was introduced in the Red Chimney Mills with fanfare and trumpets. The industries minister of the state government was invited to inaugurate the programme. He praised Mr.Prasad's interest in the welfare of his supervisory staff and hoped that before too long he would introduce a similar programme for the workers also. The expert from an international organisation spoke about how an improvement in knowledge, skills and relationships was the first step in increasing productivity. The newspapers gave wide publicity and even Mr.Raj wondered if he should not have done something like this instead of merely appointing a cost control officer whose value had proved to be extremely doubtful.

After the inauguration, the first session of the training course was attended by Mr.Prasad himself. The expert had suggested that there should be a free and frank discussion between himself and the trainees and they should not hesitate to ask questions or even contradict him if they felt he was wrong. But Mr.Prasad's presence ensured that no supervisor would open his mouth and the session was

a failure. So, the expert persuaded the managing director to leave. After that, things improved so much that even the expert was surprised. "Generally, I have found that supervisors are not very keen on this programme", he remarked. "How is it you are all so keen?"

"Yes, we are very keen so that we can all get certificates and apply for better jobs elsewhere", was the reply.

When Mr.Prasad got to hear about it, he made it a rule that no certificates will be distributed for attending classes and the enthusiasm waned after that.

But when Mr.Prasad heard about the success of the Blue Chimney Mills with regard to quality controlled saris, he began to worry. No doubt the training within industry programme had given him some publicity, but he knew the value of a good advertising campaign. He had nothing to match it and he was certainly not going to allow his rival to get away with such a clever way of fooling the public. He rejected linear programming because people would mistake L.P for long playing records as he himself had thought at first. He rejected production planning for a similar reason lest it be confused with population planning. But when his manager came up with the idea of computer control, Mr.Prasad was happy. Some money was invested on the first computer to be installed in Kamalapur. Photographs were taken of the computer and published in the local press. It was even used – for about a month – for preparation of wage bills. But the clerical staff was still employed to ensure that the computer did not make a mistake! Gradually the computer fell into disuse and was only resurrected whenever a V.I.P. happened to visit the mills. But thanks to a good advertising agency, the Red Chimney Mills could legitimately advertise, "To ERR IS HUMAN, TO COMPUTE IS DIVINE!" This was followed by the statement, "There is no possibility of human error in our mills, for our fabrics are computer controlled!"

Mr.Prasad could sleep peacefully after that, in the full knowledge that he had scored one over his rival.

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In later years, when computers became popular and cheaper, the Kamalapur textile industry took to them in a big way. It was not only considered a management tool, but also a status symbol. No doubt many mills benefited from it, but not all of them could accept the discipline of the computer and still depended on their hunches in their decision making. Also, they did not always realize that the answers you get from a computer depended on the information you had fed into it in the first place. But the younger generation of managements – many of whom had been educated in technology both inside the country and abroad – who had started taking over the mills from their fathers or uncles were certainly wedded to computers.

The importance of computer in the scheme of things in Kamalapur could perhaps be gauged from the following conversation between two matrons in the Kamalapur Club in the early seventies.

“Would you believe it? My son has fallen in love with a computer!”

“That is not surprising these days; but you are lucky. My son has married a calculator!”

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As if all these changes were not enough to modernize Indian industry, the Government of India also decided to lend a hand in the process and decided to amend the companies act in 1954. One of the major changes in the amendment was the abolition of the time honoured managing agency system. The objectives of the amendment was to broad base management instead of confining it to a few families, to make management economic, efficient and more responsive to the social, economic and industrial problems facing the country. By this amendment, the government hoped to bring in greater professionalisation, to separate ownership and management and enable young and enterprising young men to reach the top of the managerial ladder.

While many economists and social scientists welcomed the change in the law, for people like Mr.Raj and Mr.Prasad, it meant that instead of calling themselves managing agents, they now had to appoint themselves as managing directors on a salary basis. While they opposed it vehemently, the opposition was on sentimental and psychological rather than on economic grounds. For so long as they held or controlled a majority of the shares, there was not much the government could do to unseat them.

There was however one problem. There were often partners in the managing agency system who were previously getting a share of the profits and they stood to lose that income unless they were suitably compensated. For example, Mr.Raj had a brother and a cousin who were each getting ten percent of the profits of the managing agency firm and Mr.Raj knew that unless he made sure they continued to get it, they might cause trouble in the annual general meeting. He also felt it was fair that they should continue to get it. So, his brother's son was appointed as personnel officer and the cousin's son as public relation officer. Mr.Raj assured them that in spite of the Government's unfair policies, he had affection for his relations and they would continue to get their salaries so long as they never came to the office or interfered with the working of the mill in any way.

Mr.Prasad had a more complicated problem. His brother's son, who had a twenty five percent share in the past now demanded a share in the active management of the mill. He said he was better qualified than either Mr.Prasad or his son and since they were all going to be 'employees' of the company, he should receive at least equal salary as his uncle and cousin. He also wanted that some important aspect of the managerial functions should be allocated to him. Mr. Prasad replied that but for him the Red Chimney Mills would never have been established; but the nephew retorted by saying that the uncle had been looting the mill ever since as compensation for his efforts. Ultimately the problem was solved by making him commercial director, but the relations were never happy and the differences tended to become public whenever there was any strain in the mills. But on the whole, the Kamalapur businessmen were sensible and pragmatic and settled their differences quietly if not amicably.

The changes in the company law act led to a certain degree of uncertainty and anxiety among the industrialists. There were rumours that since the top management people were now 'employees' the Government might expect them to have qualifications for their jobs. Quick to sense a need, the productivity councils and the associations of managements started running courses for 'top' management personnel. Naturally, such courses could not be organized in places like Kamalapur. Instead, as befitting the people participating in them, they were held in five star hotels in hill stations where in the calm and pleasant atmosphere of the mountains, bosses of industry and commerce could consider and define their role and functions in the new situation that had been created as a result of various changes in society and industry. Even Mr.Prasad and Mr.Raj participated in one of these programmes and listened to experts from other countries talking to them about finance, relationship between Government and industry, the changing social scene, and so on.

One of the important aspects of these programmes was known as 'role playing'. That is, the participant played the role of an entrepreneur, decided what industry he wanted to establish and went right through the whole process until he declared a dividend. This part of the programme was considered most important by the faculty as it simulated real life conditions and was intended to train people to become successful industrialists. But when Mr.Gajapathy Raj started two companies and they both went into insolvency, he left the programme in disgust.

"They didn't simulate the actual conditions", he cried. "They wouldn't let me pay any bribes, they made me recognize the trade union even before we went into production and pay high wages and they wouldn't let the bank lend me more money when I wanted it. How do they expect me to make profits?"

Mr.Prasad was also disappointed with the course, though in a different manner. When he decided to play the role of an entrepreneur, he started a domestic appliances factory, making toasters, cookers, mixers, hot plates, etc. But as production manager, he appointed a man who had no engineering knowledge or experience but only a letter of recommendation from the minister. Consequently, he got all his permits, bank loans, electricity and water supply very quickly, but unfortunately, the appliances wouldn't sell because they were so poor and he had to close the factory. He was only glad that Mr.Raj was not there to witness his misfortune, that gentleman having left the previous evening.

But the main thing was that everyone who attended even for part of the time got a certificate, ready to be produced if the company law board were ever to question their qualifications.

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In India, an industrial society is growing out of a rigid, traditional and conservative social system. Respect for age and status, restrictions of caste and community, the desire to help one's relations rather than others, loyalty to traditional values, influence our minds greatly.

Our society is still largely rural and industrial workers have agriculture as a background. They are used to working by the sun rather than the clock; they have not handled anything more complicated or expensive than a wooden plough. Their periods of rest are determined by their personal needs. They are not used to the discipline of machines controlling their production. Even when they have a skilled background as artisans or weavers, their skills are those of a bygone age and are not suitable for modern requirements.

While we have pockets of high technology in various parts of the country, they are really islands of prosperity in an ocean of traditional values, inhibitions and relationships. This is particularly so in traditional industries like textiles and rural areas where many mills are located. There are a lot of fears and anxieties about modernization, about change and about new ideas. Under these circumstances, introduction of new techniques – even if they are simple – demand not only training on the knowledge of the techniques themselves, but even more a change in the attitudes on the part of managements as well as the supervisory staff. It is well known that a change in attitudes is much more difficult to bring about and is essentially a long-term process. What is required is the creation of an industrial culture where ideas are evaluated on their merit and not on any preconceived notions.

## CHAPTER SIX

### Committee Yourself

Whenever there is a problem over which the public is agitated, it is usual for democratic governments to appoint a committee to study it from various points of view and make suitable recommendation. In order to give them the flavour of originality, they are variously referred to as study groups, commissions, high power bodies, or expert groups. The terminology is only limited by the innovativeness of the civil servants responsible for it. When it is a problem in industrial relations, it is often a tripartite committee. That is, an equal number of employers' and workers' representatives with a neutral chairman appointed by the government, usually a retired high court judge. Occasionally, a technical expert might also be added to the committee in order to assist the chairman on some of the technical issues involved. So, when there was a demand from the textile trade unions in the state for a revision of wages and for a study of the working conditions in textile mills the State Government appointed a tripartite committee to study the problem and submit a report within six months. Since a majority of the mills were in and around Kamalapur town, the majority of the members were also from that area.

The appointment of such a committee has a number of advantages from the Government's point of view, if not for the people concerned with the problem. Whenever a question regarding textile workers is raised in the assembly, the Government will reply in somewhat self-righteous tones, "As the hon. Member is aware, the Government has already appointed a committee to make a comprehensive study of the entire problem. Their report is awaited". If the chairman happens to be a person of poor health and if the other members of the committee are busy people preoccupied with various other organisations, the committee can be relied upon to take a fairly long time before submitting their report. By that time, the legislators would probably forget about textile workers and get busy with some other and more pressing problems which happen to catch public attention at that time. The people concerned – the workers and the managements of textile mills in this case – would be busy preparing their case for submission to the committee and the horse trading that went on, they might even come to a settlement through direct negotiations. But perhaps, the most important advantage of such a committee is that the Government is not bound to accept their recommendations, particularly if they were not unanimous, as they rarely were. Or, they may accept only those recommendations that are considered 'reasonable'. It is not uncommon for the report to be quietly shelved and forgotten.

One is reminded of Birbal's wager with emperor Akbar that he could make a horse fly. It was agreed between them that for the payment of one lakh of rupees, the court jester would teach a horse to fly in two years time. If not, he was to lose his life. When a friend asked Birbal why he agreed to such an impossible bet, he was supposed to have replied, "Who knows, in two years time, I might be dead, or the emperor might be dead, or..... the horse might learn to fly!" The chances of a committee of that nature achieving any positive results were about the same as a horse learning to fly.

If I had known all this before I was appointed as a member of the textile tripartite enquiry committee as a representative of the employers, I would have politely declined the honour. But being young, inexperienced and enthusiastic about doing something for the industry, I readily agreed. There were five employer members, five workers' representatives from five different unions, the chairman and the technical expert formed the committee. The numbers of representatives of employers and workers was fixed as five each because there were five important unions which had to be given representation and their number had to be equal. The trade union members rarely agreed with each other, except perhaps in criticizing the employers and when that was indulged in, they tried to excel each other.

The committee had been appointed for a period of six months, but even at the first meeting everyone seemed to take it for granted that the term of office would be automatically extended. Mr. Swaminath, another representative of the employers, and a veteran of many industrial relations battles, assured me on that point. "The old boy is on a good wicket and he is not going to give up easily". He was of course referring to our chairman Mr. Veerappa. "As chairman of the committee, he has an office, a peon who presses his feet in the afternoons when he is tired and a secretary. He has considerable importance and it boosts his ego. As a mere retired high court judge, he would have nothing to do except to read the daily paper from cover to cover and get in his wife's way in the house all day long".

"But how can he do that?" I enquired amazed. "We have only been appointed for six months!"

"Well, first of all, he would suggest to the Government that the terms of reference be made more clear and comprehensive, so that such things as the cinema going habits of the workers may be studied in some detail. Then we will have to frame a questionnaire, to be answered by all the mills in the state. If we can complete these two tasks by the end of six months, we will be lucky. Then of course, we will have to wait for answers from all the mills. After that, the unions would naturally insist that we should visit all the mills and convince ourselves of the 'abominable' conditions existing in most of them. At every place, oral evidence from both employers and workers will have to be recorded. All this will take at least another year".

"Good Lord!" I explained. "Surely, it will take at least another year to analyse all the evidence we have gathered!"

"But that is just what we will not be doing", he told me. "You see, the whole procedure is like a religious rite, a ceremonial that has to be gone through for the sake of record and for sake of appearances. Justice need not be done; but it must be seen to be done. Then the horse-trading will start between the two parties, the chairman acting as the broker, trying to arrive at compromises".

In the end, it turned out that my friend was, if anything, too optimistic in his estimate of the time schedule. It took a month to get the chairman's secretariat to be organized. Getting things like chairs and tables, a typewriter and stationary, forms of application for travelling expenses of the members and the chairman, seemed to take ages by indenting through government agencies. The



clarification regarding the terms of reference took another month. The chairman wanted that at least at the first meeting of the committee, all members should be present. This was not possible because the sessions of the annual meetings of the Kamalapur Trade Union Congress and the regional meeting of the association of trade and industry.

When at last the first meeting was held about three months after the appointment of the committee, the first decision that was taken was to request the government to extend the period of appointment of the committee by another six months. It took us three more months to finalise the questionnaire. The chairman wanted to be fair and accommodating and every suggestion of the members was included in the questionnaire so that it became voluminous. Even the chairman was forced to admit that it was somewhat bulky. So, a sub-committee was appointed to prune it!

Then I put the cat among the pigeons by suggesting that there should be a separate questionnaire for all the registered textile trade unions in the state. There was consternation among the workers' representatives and even the chairman wondered why I had made such an unusual suggestion. I pointed out that just as we were trying to find out from the managements how many spindles and looms they had, we should also know how many members were on the rolls of the various unions. I also wanted to know what the unions were doing with regard to the education of their members, welfare, family planning, counseling absence-prone workers, and so on. Of course, if they were doing nothing, all they had to do was to say so and we would forget the whole thing. When it was put like that, the workers' representatives had no option but to agree.

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For the sake of studying the working conditions in mills and hearing the grievances of the workers and the problems of managements, the employer members suggested that a sample of ten mills – five selected by workers and five selected by employers representatives could be visited by the committee. But the union members insisted that all mills in the state should be visited. There were nearly one hundred mills in the state and it would take us a long time to visit them all. (One of them turned out to be a rice mill and had been included by mistake!) 'We would become a touring circus', I commented, but the chairman agreed with the union members and we resigned ourselves to an exhaustive tour of the entire state.

When visiting a mill, our programme was usually as follows. We might spend about an hour walking round the mill, observing the working conditions and the general operations of the various departments. The managements usually tried to have the place cleaned and sometimes, even white washed for our visit. But the workers tried to make it appear they were worked off their feet. We would then assemble in the office. The managing director or one of the senior officers would give evidence about their problems of rising costs, poor profitability and low productivity. They were usually cross examined by the union representatives on the committee. Similarly, the workers would give evidence and the employer members would cross-examine them. It was almost like a court of law. The chairman recorded the evidence in long hand and this took a lot of time. Tape recorders were not known in those

days and the chairman would not permit the recording of the statement in short hand. While the workers tried to make it appear that they were over worked and under paid, the managements tried to show that no increase in wages was possible in the then existing circumstances.

In some mills, the members of the committee were presented with lengths of fabrics manufactured in the mills and the chairman was usually garlanded. In one mill he was asked to preside over a school function and in another, he was asked to declare open a crèche for the workers' children. He enjoyed all this attention that was bestowed on him and was naturally loathe to give it up. (In all the mills we visited, we were entertained for lunch as well as tea.)

The chairman was not keeping good health. Walking round the mills gave him a pain in the legs and he preferred to rest in the afternoons. The peon used to press his feet as he lay on his bed in the travellers' bungalow till about four p.m. when he emerged for another sitting of the committee. He did not want the members to know about this weakness of his, but of course it was general knowledge, kept a secret only because everyone knew about it.

In most of the mills we visited, the workers' representatives tried to show that not only were the working conditions poor, but also that the managements did not treat their workers fairly. It was a tale of high workloads, poor canteen and lavatory facilities, not observing minimum standards of safety and welfare, and so on. On the other hand, managements complained about workers not attending to their machines, not returning soon when they went to the lavatory, etc. Since the hearings were all in public, there was quite a lot of laughter at some of the remarks of witnesses.

An unusual thing happened in one mill. The management gave evidence to say that their mill was making good profits and they had no objection to paying higher wages if such wages were linked to the productivity of the workers. This surprised us somewhat, but what was even more surprising was that the secretary of the local trade union said in his evidence that it would be possible for the workers to accept higher work allocations provided they were given higher wages! Later, we learnt that the two sides were actually negotiating for higher wages and workloads and were on the point of reaching a settlement when the visit of our committee had put a damper on it! That there was at least one mill in the whole state where such good industrial relations existed was a matter of gratification. This was particularly remarkable in an age of universal agitation. But evidently, the trade union members were very unhappy and warned the local leaders that they should not become 'black legs'!

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But in the Blue Chimney Mills, we had a somewhat unusual witness. From the surprised excitement among the audience, we felt a surprise was going to be sprung on us. One of the union representatives on the committee carefully steered the witness through his evidence. After he had given his name, department ticket number and solemnly promised to tell the truth the examination went as follows.

“What is your work in the mill?”

“I am a tenter in the carding department”.

“When is your weekly holiday?”

“Saturday sir”.

“And what do you do on Saturdays?”

“Has this anything to do with his employment Mr.Thiruvenkatam?” the chairman enquired.

“Yes sir; it will be revealed in my subsequent questions”, Mr.Thiruvenkatam proceeded.

“What do you do on Saturdays?”

I go to the chairman’s house and give him a massage and an oil bath”.

There was surprise among the members of the committee and a rustle of excitement among the audience.

“And you have been doing this as a regular routine?”

“Oh, yes sir”.

“There you are Mr. Chairman!” Mr.Thiruvenkatam spread his hands in a gesture of helpless despair. “Here is a case of blatant and odious unfair labour practice, an industrial worker employed in a public limited company being used for the private pleasure of the chairman on the only holiday the poor man has! And this has been happening, not once or twice, but regularly for a long time. Are we living in a democracy or in the age of the Grand Mogul?”

“You are right Mr.Thiruvenkatam”, exclaimed the chairman in virtuous indignation. “It is certainly a clear case of unfair labour practice. It is to stamp out such things that this committee has been appointed. I hope the employer members will join me in condemning such practices wherever they may exist”. And then he called the next witness.

I intervened. “Mr. Chairman, don’t we have the right to cross examine this witness?”

“What will cross-examination reveal?” asked the chairman. “The facts are there. If you want to rebut the evidence of this witness, you will have to put the chairman of the mill on the stand”.

“Nevertheless, I would like to bring out all the facts in connection with this case”.

“Alright, go ahead”, said the chairman with poor grace.

“Mr.Karuppuswamy, how long have been working in this mill?” I asked him.

“About five years sir”.

“And what were you doing before that?”

“I used to give massages and oil baths to people sir”.

“In fact, that was your ancestral profession?”

“Yes sir”.

“And were you in the habit of giving oil bath and massage to Mr.Gajapathy Raj before you joined the mill?”

“Oh yes sir; for many years”.

“And was your father in the habit of giving oil baths to Mr.Gajapathy Raj before you?”

“Yes sir, for the last three generations, we have been working for that family sir”, said the man proudly.

“When you joined the mill, did you ask for the job or was it offered to you?”

“I asked for it and the master was generous enough to give it”.

“And did you also assure him that your services to him as a masseur would not be affected in any way?”

“Yes sir; after all, it is my ancestral profession”.

“Are you in any way inconvenienced as a result?”

“No sir”.

“And do you get paid for it separately?”

“And do you also give oil baths and massages to other people and receive payment for such service?”

He fidgeted, looked sheepish but had to admit that he did.

“Do you know that it is against your conditions of employment to engage yourself in other jobs while you are employed full time in the mill?”

Poor Karuppuswamy looked thoroughly miserable. “I didn’t know sir”, he mumbled, avoiding my eyes.

“Did you know that your evidence was introduced merely to make Mr.Raj look ridiculous?”

“I didn’t know that sir; if I had known, I would not have consented to give evidence”.

I could have let it rest at that point. But some devil seemed to have got into me and I proceeded in a slightly different direction.

“Mr. Karuppuswamy, do you know that even peons employed by the Government sometimes have to perform private duties for their officers?”

“What has that to do with the present situation?” the chairman queried. “He does not know anything about it”.

“Mr. Chairman, I want to establish the fact that unfair labour practices are not confined to private industry only”, And before the chairman could say anything further, I proceeded.

“And do you know that peons have to press the feet of their officers when they are tired in the afternoons?”

There was pin-drop silence among the members of the committee as the full import of my question sank in. the audience of course was not aware as to what it was all about.

“I have finished my cross-examination Mr. Chairman”, I concluded. “But I would like my last question to be recorded”.

The chairman turned slowly to the labour member Mr.Thiruvencatam. “You should not bring such witnessed before this committee, to make frivolous charges against the managements while all the time he is earning money by doing another job which is equally unfair to the management. We are only too well aware that unfair practices can exist on both sides of the industrial fence and we should be extremely careful in treading the treacherous path of industrial relations and not fall into traps set by either side. The witness has been brought here under false pretences. I propose to strike out the entire evidence. Now, let us proceed”.

After such a classical pronouncement of judicial wisdom, there was nothing left for anyone to say. And that was how Mr.Gajapathy Raj’s reputation as a just and fair employer was saved.

I thought the chairman might have a grudge against me for dragging his own personal weakness into public notice. But when I met him later, he was good enough to compliment me. “That was a brilliant piece of cross-examination; you should have been a criminal lawyer”.

“It is nice of you to say so Mr.Veerappa”, I replied. “But my cross-examination was not based purely on intuition. You see, Karuppuswamy gives an oil bath and massage for my father every week”.

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When we studied the reply to our questionnaire from Kamalapur Spinning and Weaving Mills Ltd. – the only European owned mill in Kamalapur State – they had a man worker known as the hoist attendant. The mill was built on the model of old Lancashire mills – on different floors – and they had a hoist to lift the cotton bales from the ground floor to the first floor. The union representatives pointed out to the chairman how generous the European company was in providing such a worker while none of the Indian companies had done so. It was no use explaining to them the special needs of that mill. Even the chairman seemed to agree that there ought to be a hoist attendant in all the mills in Kamalapur State.

Mr.Swaminath that resourceful member representing employers wanted to bring home the absurdity of the workers’ stand. So, from his own mill he added a new category of worker known as the ‘bobbin breaker’. The workers representatives as well as the chairman and the technical expert were all puzzled by this category and asked for an explanation. “He is the man responsible for breaking all the good bobbins into useless ones; in short, he is our hoist attendant”. But we had to wait till we visited the Kamalapur Spinning and Weaving Mills before convincing the chairman why a hoist attendant was not really necessary in the other mills.

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So, it went on, week after week, month after month. I was beginning to feel it was never going to end. When at last, the last mill was visited and the evidence recorded, we heaved a sigh of relief. But Mr.Swaminath remarked, “The real struggle starts now, the horse-trading”.

“When are we going to see and study all the evidence that has been recording?” I asked in my innocence.

“Don’t be silly; that was only to impress the workers of our earnestness. In any case there is no useful information in any of those statements. And for God’s sake, don’t ask the chairman for a copy of the evidence. That will delay us by another six months”.

So, we met in the hall of the Kamalapur secretariat to finalise our report. The main question was regarding basic wages for a textile worker. This was supposed to be decided on the principles enunciated by another committee known as the 'Fair Wages Committee'. That committee had gone into the question of industrial wages in great detail. They had also defined various levels of wages such as minimum wages, living wages and fair wages. So, we had plenty to choose from. The wages also depended on the calorific requirements of the workers. For example, if a worker was engaged in strenuous physical work, he would need more calories. I became quite an expert on the calorific value of various grains, pulses, meat and vegetables for a short period. The number of dependents that the average worker had to support was based on the report of another committee and that also had to be taken into account. But in the end, it all came to horse trading between the management and workers' representatives.

The unions demanded sixty rupees while the managements were willing to pay only fifty rupees. The chairman suggested fifty five as a compromise so that the report could be unanimous. But when neither party would agree, he called us separately and said that at least there should be a majority report on which the Government could act. Therefore, if we the employers' representatives did not agree with him for fifty five rupees, he would support the workers demand and recommend sixty rupees. It would have the merit of being a majority recommendation, he said.

"This amounts to blackmail Mr. Chairman", I shouted. "If you were to do that we shall in our dissenting note refer to this discussion and say how you threatened us in order to compel us to agree with you". Mr.Veerappa saw the danger to himself of such a procedure and abandoned it. Later, we learnt that he had tried the same tactics with the trade union representatives also and with a similar result.

So, there were three separate recommendations with regard to the central problem of wages. And like Birbal's flying horse, the report found a grave in the ocean of files and reports in the archives of the secretariat.

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To me, a new comer to the field of industrial relations – what was interesting and highly educative was the attempt of the chairman to bring in an ideological approach to the solution of the practical problems before us. Later, I learnt that this was the common approach of most committees as well as the government in tackling almost all the problems facing the country. By the very nature of their composition, by virtue of their interests and values, by the terms of reference and by the vast distance that separated them from the reality of the problems, this was perhaps inevitable.

The ideological approach is an attitude of mind that is different from the practical or pragmatic approach. Problems are attempted to be solved on the basis of certain principles rather than on the realities of the situation. It does not take into account human weaknesses or capabilities, variations due to environment and other factors. It assumes that because an idea is theoretically right, it would be

practically implementable also. It is also taken for granted that because an idea has been successful in one set of circumstances, it would be equally successful everywhere and at all time.

This approach was very clearly evident when the chairman of our committee laid down a very noble principle in the preamble to the report. It began as follows:

‘An industry which cannot afford to pay a living wage as defined by the Fair wages committee has no business to exist’.

Having laid down such a basic and fundamental principle, he went on to contradict it in the next paragraph:

‘However, since a number of industrial units already exist which do not pay a living wage which if forced to do so, will have to close down throwing a large number of workers out of employment, we recommend that lower wages may be paid in these units’.

There were many such contradictions in the report and quite a few of them became bones of contention in courts of law as to which statement should take precedence over the other.

Similarly, with regard to the annual bonus payable to workers in industrial establishments, in spite of the number of principles and formulae that have been evolved over the years by a number of ‘high power’ commissions and tribunals, it has not been possible to bring about peace in this area and the number of disputes have been increasing until quite recently. The only thing that seems to work is horse trading between the managements and the unions in each industrial unit.

Perhaps, an example from Japan, a highly pragmatic country, may not be out of place here. When large departmental stores were springing up in all the major cities of Japan in the fifties, the small traders were adversely affected and they protested against the growth of these mass distribution organisations. The Japanese government therefore requested each municipality to tackle the situation. Each town appointed a committee of ten people. While the representatives of the small traders and departmental store representatives were equal in number, the largest number in the committee was the representatives of the consumers and independent economists. The committee regulated the growth of the departmental stores in their town according to the needs of the population and the service rendered by the small traders in particular areas. No principles for the growth of departmental stores were evolved and no theories and mass distribution as against personalized service were enunciated. The problem was solved without any agitation, propaganda or political undercurrents.

One can easily imagine what might happen in India if a similar situation were to arise. In various towns, there will be meetings and processions and hartals by small traders against the ‘unfair’ growth of the departmental stores. Various political parties will support these agitations and questions will be asked in parliament and in the state legislatures. When all these have reached a stage of crescendo and there is a thread to law and order in the cities, the minister responsible will announce the constitution



of a 'high-power' committee presided over by a retired high court judge with equal representation for the rival parties concerned.

After perhaps two years of touring and recording evidence from parties and a considerable amount of horse-trading behind the scenes, a report would emerge. If the horse trading had been successful there would be a unanimous report. If not – as is often the case – one side or the other will record a note of dissent. But whatever the results, the recommendations of the committee would be far too vague and general and difficult to implement in any specific situation. They would often consist of first principles and might conceivably run something like this:

'In a developing economy, it is inevitable that mass production of goods should lead to more efficient distribution and the growth of departmental stores is in keeping with this objective. But at the same time, we have kept in view the monopolistic tendencies that are growing in the country and are anxious to ensure that these tendencies should not spread to the sphere of distribution'.

'We have also kept in view the interests of the large number of small traders in the country who have been performing yeoman service in the past and it is our desire to ensure that they are not unceremoniously deprived of their livelihood and avocation through unfair competition'.

'The ultimate interest of the consuming public has also been kept in view in coming to these conclusions'.

There is no doubt many areas where the evolution of certain basic principles is important. But an ideological approach makes a fetish of it even in those areas where it is neither possible nor desirable to evolve such principles. While there may be national problems, there are no national or even regional solutions.

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Industrial relations were not the only problem facing the textile industry in the post-war period. Immediately after the partition of India, we had a cotton shortage because, while all the textile mills were in India, about thirty percent of the cotton growing area went to Pakistan. Cotton shortage has continued off and on ever since and a Cotton Advisory Board was constituted to advise the Government on how to overcome it. A study group on modernization of the textile industry was also constituted to suggest ways and means of accelerating the process of modernization of the mills.

In such committee, representation was given to various interests. For example, in the Cotton Advisory Board, there were the growers' representatives, merchants and ginner as well as representatives of mills. The MOAK was represented in many of those groups constituted by the Government, but the industrialists of Kamalapur rarely attended those meetings in the beginning. On

the other hand, there were vociferous protests if they were not given representation. Only Mr. Kumar attended such meetings regularly and later, Mr. Raghava Raj also became active in the affairs of the textile industry.

Then there were other committees to study the problems of various sectorial interests within the textile industry. Every sector – khadi, handlooms, powerlooms and the knitting industry – had its own problems which were often different from and conflicting with the interests of others. Separate committees were appointed at different times for each of these sectors and they made their recommendations as if the other sectors did not exist. This naturally led to controversies between handlooms and powerlooms, between cotton and man-made fibres, and so on. Each group tried to influence government policy in its favour. Consequently, policy formulation was not based on logic or reason or in the larger interests of the consumers, but on an unhappy compromise between conflicting interests.

These committees were held in pleasant surroundings. India being a large country, they had to visit different states to study the problems in those places and record evidence, and often lavishly entertained. During the meetings themselves, coffee, tea and biscuits were served at frequent intervals, so much so that one member remarked that a 'committee' meant 'come to tea'. But there was one occasion when a disgruntled bureaucrat issued an order stating that biscuits and cashew nuts should not be served at the same time! There was usually an air of leisure with regard to the functioning of these committees, irrespective of the urgency of the problem. Those who participated in them had a virtuous feeling of doing something extremely useful when they were probably wasting their time.

Nevertheless, such committees were useful in a number of ways. They were instrumental in airing the views of a particular sector of the economy, ventilating their grievances and letting off steam so to speak. They gave the people concerned a feeling of participation and a sense of importance in the decision making process. They enabled the Government to postpone decision making on the plea that a committee was looking into the problem. Since most of these committees were unofficial – though appointed by the Government – the state was not bound to accept their recommendations. Often, one was left with the feeling that a committee was appointed merely to find out what should not be done. In a democracy, when the Governments do not want to commit themselves, they committee themselves.

## CHAPTER SEVEN

### Maturity and Momentum

Mr.Ashok Kumar was a new kind of industrialist. Men like Mr.Raj and Mr.Prasad were known and respected as agriculturists even before they took to industry. But Mr.Kumar was a new comer to Kamalapur and people did not know anything about his antecedents. In those days, Kamalapur was the sort of place where if people did not know your father and grandfathers they treated you with a certain degree of indifference and suspicion. He started a small mill and was running it very efficiently. As a newcomer, he showed respect and treated with deference men like Mr.Raj and Mr.Prasad. He always let them speak first in meetings and discussions and if he had to disagree with them on any subject, he did so with due apologies. So, Kamalapurians said he seemed to be a good man who knew his place and did not push himself forward at every opportunity.

His chance for becoming prominent came when the ticklish question of who was to be the president of the Mill Owners' Association of Kamalapur (MOAK) came up. His suggestion of making the two senior members as patrons was enthusiastically welcomed by everyone though many people resented his elevation to the position of the chairman. Some said he was too young; others said he was after all an outsider – not a true Kamalapurian – and were there not enough Kamalapurians to fill that position? But no one said anything in public as the two stalwarts of the industry at that time had proposed his name and he thus became the first as well as the longest serving chairman of MOAK. His 'reign' might be said to have begun.

After the first year, there was no quorum for the annual general meeting and the previous office bearers were allowed to continue. Later, particularly after the war broke out, no one bothered to take any interest in the association and Mr.Kumar kept it going, often paying the staff from his own company. By the time the war ended, he was sufficiently well entrenched in office and had created sufficient supporters among the members to ensure that he was re-elected without a contest. The good people of Kamalapur – particularly the industrialists – had a hatred of elections. They thought it vulgar and they also did not realize the advantages it conferred. So, Mr.Kumar became more or less permanent chairman for quite a few years.

As chairman of MOAK and as a representative of the Kamalapur textile industry, he presented himself to the state as well as the central governments not only as a leading industrialist, but as a well-wisher of whoever was in power. Thus he collected money during the Second World War for the soldiers' welfare fund and for a spitfire fund – a fighter plane that was to be named 'Kamalapur'. The other industrialists paid, not because of their respect or affection for Mr.Kumar, but because they too wanted to be in the good books of whoever was in power. But Mr.Kumar got the credit in the form of a title 'Rao Sahib'. Tea parties were organized in his honour and men like Messrs Raj and Prasad were put in the embarrassing situation of having to felicitate him against their will. But in 1947, he promptly and patriotically gave up the title and soon rehabilitated himself with the new politicians who were coming out of goals and entering legislatures.

In actual fact, Mr.Kumar was well educated, enterprising in the modern sense of the word, and brought a new vitality to his work. He was ruthless in protecting and enlarging his interests and unscrupulous in making sure that no one in Kamalapur surpassed him in wealth or influence. But he did these things with considerable degree of fineness and smoothness that while people resented it, they could do nothing to stop it.

For example, for the first year or two after he became the chairman of MOAK, he treated both Mr.Prasad and Mr.Raj with great respect, and even asked them to preside on occasions. He used to say that they were the 'real' chairman whosoever might occupy the 'Gadi' at any given time. They were very happy with such treatment and refused to believe the stories they heard about his machinations.

But gradually, his respect diminished as his own importance grew and after the title of Rao Sahib was conferred, he treated them as any other members of the Association. Behind their back he even laughed about their airs and graces. Their response was to stop attending the meetings of the Association altogether. If there was any important subject to be discussed, they would send their sons or even the managers just to make sure that they knew what was happening. Many other mill owners also did the same, with the result that the Association became more of a debating forum rather than a decision making group. All decision making was left to the chairman.

Mr. Kumar's technique of handling meetings was superb. Whenever a problem came up for discussion – it might be cotton shortage, increase in excise duties, ban on exports, or other restrictions – he would allow people to have their say for about half an hour and then come out with a statement. "As members are aware, I have been having some discussions with the authorities on this problem, in confidence of course. The points that you have raised have all been anticipated by me and the authorities are also aware of them. We do not want to embarrass them at this delicate stage of our discussion by sending telegrams of protest or anything like that. The press will pick it up, exaggerate it for its own purpose and the government will be forced to react and not necessarily in our favour. Therefore, I suggest that you may leave the matter in my hands. I am due to have another round of discussions with the authorities and we don't want to queer the pitch at this stage".

The members had no other option but to agree with him!

This was particularly so when there was a major labour dispute. "I am not in a position to tell you much about my discussions with the labour minister, because the last time I did so, the trade union leaders came to know about it immediately. Unfortunately, there are some among us who for their own ends, tell the trade union leaders what goes on here". The members looked at each other suspiciously. But the chairman would go on. "Therefore, I shall place the matter before the minister. You can rely on my discretion as well as firmness. I can assure you I shall not let the industry down". And so on. At the time of the general strike, one of the trade union leaders announced at a public meeting that the chairman of MOAK had told him that he himself was for a compromise, but other managements would not allow him to do so. The chairman denied it, but the union leader stuck to his statement and

produced a witness who was present when he had discussed the matter with Mr.Kumar. After that, the member of MOAK took their chairman's statements with a very large pinch of salt.

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The fifties was a period of great optimism in the industrial circles of Kamalapur. The textile mills were doing well. The five year plans that had been introduced promised continuing property. Therefore, Kamalapur mills were expanding fast and a large number of new mills also came into existence.

Mr.Raj was adding new spindles to the Blue Chimney Mills, but he was also establishing another mill as a separate unit. In the old mill, his brother and his cousin had shares. Though they did not give him any trouble and seemed to be content with the salaries he had offered them, he was not sure if they would be equally docile if something should happen to him. So, in the new unit, he had very few share holders, certainly no big shareholders. He was the chairman of the new mill and his son Raghava Raj was the managing director and there was no one to challenge their authority either now or in the future. Before long, he hoped to bring the new mill up to a better standard than the old mill. Blue Chimney Mills had been running for three shifts during and since the war and it needed a lot a modernization. But under these circumstances, that necessarily had to be postponed.

Mr.Prasad did the same thing for more or less similar reasons. His nephew, who had been made a commercial director, questioned every one of Mr.Prasad's decisions. He also wanted to use the Red Chimney Mills as a base of operations from which to launch a private mill of his own. He made use of all the facilities available in the parent mill as well as the contacts and business friendships he had developed. Mr.Prasad could not very well stop him. He was young and ambitious and ready to defy Mr.Prasad if there was a confrontation. So, Mr.Prasad also started a mill and made use of the Red Chimney Mills for getting it going. There was a competition between the uncle and the nephew and in the process, it was evident that the Red Chimney Mills would soon come to grief.

In the post-war period, many new comers had entered the textile field in Kamalapur. What was a trickle in the late forties became a flood in the fifties. People who had made money in various ways during the war wanted to invest it in profitable ventures. At one time, they would have bought property or agricultural land. But they did not yield big returns. Further, the first congress government of 1936 had introduced a debt relief act whereby considerable concessions were given to debtors if they had paid a lot of interest on their borrowings. This made money lending a somewhat risky proposition. Now, in the forties and fifties, there was talk of ceiling on agricultural land for individuals and families. On the other hand, industry in general and textile mills in particular were seen to be extremely profitable. Industry had a glamour which agriculture had lost. Further, the technology of textiles was simple, and mills were fairly easy to establish and to run. They all had to be spinning mills only since the government had imposed a ban on the installation of looms in order to ensure adequate yarn supplies to the handloom weavers and also to reduce competition. As result of all these factors, by the end of the fifties, there were more than seventy five mills in Kamalapur district.



While most of the industrialists of Kamalapur were concentrating on textiles, a few far-sighted men like Mr.Kumar were diversifying their activities into other industrial areas where there was less competition, less government control and higher profitability. If someone asked him about industries other than textiles, he would pontificate. "Textiles are alright as a starting point, but there is no money in it, particularly if you are honest". He would laugh. "You see, if the price of cloth goes up, the government increases the excise duties or introduces some form of controls in order to ensure that mills don't make money. But whether the consumer gets the cloth at reasonable prices is doubtful. Justice is seen to be done. On the other hand, if there is a depression in the textile market, the Government does nothing about it. Mind you, I am saying all this off the record. But in industries like chemicals, engineering, etc., there is less government interference and consequently, better profits".

Diversification can usually take two forms. One is to go into those areas that are vital to and linked to the main industry. In the case of textiles, it meant the manufacture of spare parts and accessories, dyes and chemicals for the finishing of textiles, synthetic fibres to supplement natural fibres, and finally textile machinery required by the mill. This kind of diversification has the disadvantage in that their fortunes are linked to those of the textile industry. If there is a depression in textiles, then all these other industries also tend to suffer. The second type of diversification is to enter totally new areas that have no connection with the textile industry; cement, machine tools, pharmaceuticals, durable consumer goods such as sewing machines, bicycles, radios, etc. The profitability of these industries are independent of the fortunes of textiles. It would mean that the industrialist was playing safe. If textiles did not yield profits in a particular year, probably the others would.

Thus Mr.Kumar got licences to start a cement plant, a pharmaceutical unit as well as a bicycle manufacturing plant. On the day the bicycle plant was inaugurated, Mr.Kumar arrived for the function on a brand new bicycle made in his own factory and consequently attracted a lot of publicity. From then on, he was not just Mr.Kumar, an industrialist of Kamalapur. He was now the chairman of the 'Kumar Group' of industries. After that, it became fashionable for any one with more than one company to refer to themselves as a 'Group'. At the same time, he was also expanding and modernizing his textile mills, purchasing any mills that came for sale. Before the end of the fifties, he had become the biggest industrialist of Kamalapur and hobnobbed with industrialists from Bombay, Calcutta and other places. He was invited to become a director in some companies in Bombay and he also had industrialists from other places on his board. He had left people like Messrs Raj and Prasad for behind in the industrial race in Kamalapur.

His activities took him to Bombay and Delhi very frequently and he cultivated friendships in the right quarters that were very useful in furthering his interests. He became a past-master in the art of getting licences and permits and in persuading the new financial institutions that had been established to invest in his companies. When the Government announced that Kamalapur district had enough textile mills and no licences would be given for that area, he applied for a licence in a backward area and afterwards got it transferred to more convenient locations. While the licencing authority had to follow the guidelines laid down by the Government, evidently, the authority for changing locations was not bound by those rules.

It was in the late forties that a young engineer set up a plant to manufacture spinning machinery in India. Very soon two or three companies were manufacturing textile machinery with foreign collaboration. Managements of mills were naturally hesitant to place orders with Indian manufacturers because they were not confident about their performance. Therefore, the Government insisted that any one who was permitted to import certain machines should buy an equal number of similar machines indigenously. Most mills grumbled about it but observed the rules. Mr.Kumar, while he too placed orders for the local machines, managed to cancel them on some pretext or other after the imported machines were received. Similarly, he imported some sophisticated machines on the ground that they were necessary for competing with foreign manufacturers in the export markets, but managed to wriggle out of his export commitments later. He was also one of the few people who got permission to install looms in spite of the general order banning them. He knew every loophole in the rules and even when there weren't any, he knew how to circumvent them.

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A major topic of discussion in the fifties was the amendments to the companies act and the virtues of the family versus professional management. It was assumed by many pundits of modern management philosophy that family management was not conducive to rapid progress. They believed that ownership and management should not be in the same hands as they led to greater conflicts with the workers, to a slower rate of growth because of the inability of family managements to broad base their structure, and so on. Naturally, Mr.Kumar had very strong views on the subject.

“Of course family management is bad under certain circumstances”, he said. “We work hard, earn money and let our sons spend it. We let them buy fast cars, stay in posh hotels and socialize with all and sundry”. This was an obvious reference to Lakshman Prasad who was very interested in motor car racing and who had just broken his leg in doing so. “But if you make them work hard, make them learn their business not only in school and college but in every department of the mill, then you will be efficient. And make sure they can manage as well as you can before you give them power. Then you can't beat family management”. True to his word he sent his sons to study abroad. One was an Engineer; another was an M.B.A. from Harvard and they brought new ideas into the organisation.

Then he would go off at a tangent. “Our social structure is such that family management is inevitable. It is also cheaper particularly for small companies. When I started my first business. I worked without a salary until the business made a profit. Where can one find a professional manager who would do that? Even in England and America, I understand that most small businesses are family owned and managed”.

In his own concerns, he was not bothered by a change in the company law. Anticipating the changes, he appointed himself as the 'president' and the next line of managers were called executive vice-presidents. Since the company law dealt with only chairman, board of directors and managing



directors, he was completely exempt from all that. None of the executives were members of the board, and the board became more or less advisory, consisting of big names while he took all the decisions.

Mr.Kumar was not only the president of MOAK, but he was also the president of the chamber of commerce and elected as the mayor of the town. And when he retired from these positions, it was his nominees who were elected to succeed him. Thus, he became not only the 'king' of Kamalapur, but its 'king maker' as well. While people like Mr.Raj and Mr.Prasad became chairman of organisations like the local productivity council or institutes of management and made welcome speeches, it was Mr.Kumar who gave special addressed and inaugurated conference and seminars. He declared open schools and hospitals, established a foundation for the promotion of music and dance and became an indispensable leader of the 'progressive' society of Kamalapur. Nothing important happened in the town without his knowledge or consent. People wanting to organize public functions, start new organisations, etc., consulted him first before going to anyone else. His name always headed a subscription list for a charitable cause. People started calling him the 'father of Kamalapur' until the local wit suggested that he was too young to be the father of such an old if unremarkable city.

It was not generally known that Mr.Ashok Kumar started his business life in a small cloth shop in a crowded part of the bazaar. He still kept it going for sentimental reasons. Though no cloth was being sold, he had a sweeper and a watchman to look after the place. When the shop assistants' act came into force in the town, the inspector insisted that a register should be maintained about these two men, about their working hours, their holidays, shifts, etc., and monthly returns sent to his office.

Mr.Kumar was surprised. "Do you mean I have to employ a clerk just send you those returns for these two men?"

"That is the law sir", said the inspector politely. "You have to send returns for all employees. Only officers are exempt".

From then on, the watchman was designated as 'security officer' and the sweeper was styled as 'health officer'. Mr.Kumar was truly an innovator.

One of the minor hazards of being a self-made man who was highly successful was that he was likely to think of himself as an authority on almost every subject under the sun. Mr.Kumar was not entirely free from this very human weakness and whenever an opportunity arose, he would pontificate about whatever the subject happened to be.

If the subject under discussion was industrial efficiency, he would say, "People are essentially fickle, unpredictable. But machines are constant. They have no disloyalty; they don't stab you behind your back. If you maintain them well, they don't let you down as human beings are likely to do. So, I always invest in machines, the best I can get.

Consequently, his mills and other factories were modern, their productivity was high and they made good profits.

“Mind you, you have to humour people”, he was quick to add. “You have to make them feel they are important – particularly if they are not – because, if they don’t cooperate, even the best machines become useless. Pay them well; humour them; but be firm and make them work”.

When he went to speak at schools and colleges, he waxed eloquent on the evils of lipstick, short hair and trousers for women and the virtues of the sari. He advocated a nine yard sari instead of six yards and also a petti coat as being more modest and in tune with our ancient culture. In private he admitted that apart from being in tune with our ancient culture, it was also good for textile business. He described the sideburns of the young men as pillars that supported an empty head. He abhorred extremism in any form – except of course where his own business was concerned. He gave advice to all and sundry on how to get on in life, about astrology and the atom bomb, about the importance of the woman as the home maker.....The result was that while the organizers of meetings and conferences liked him, the younger generation thought of him as an old bore.

The other industrialists of Kamalapur – particularly traditional and conservative men like Messrs Ran and Prasad – often used to wonder how Mr.Kumar managed to start so many industries at the same time and make them all a success. The two gentlemen thought that they should have a majority of the shares in a company before they should turn it. That companies could be started with most of the money from the share market and public financial institutions was novel to them. In any case, it was not their way of doing things. Of course, they borrowed money for purposes of modernization and expansion of their mills, but that was because they had a solid share holdings, and they felt safe in doing so. The meteoric rise of Mr.Kumar made them feel that their traditional rivalry was not so important and was bringing them closer together. They were becoming more tolerant of each other before a common ‘threat’ and often exchanged ideas on the subject of Mr.Kumar. There was nothing on which they could put their finger and say, ‘This is wrong’, but there was a vague suspicion in their minds to which they found it difficult to give expression.

“He is going too far”, said Mr.Prasad.

“He is driving his chariot without axle pins”, was Mr.Raj’s comment.

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Mr.Arya had started Sumangili Textiles on inadequate capital. He had borrowed heavily in order to put up the mill buildings and buy machinery. If he had been able to run it at a profit for the first year, he would have got over his troubles. But the cotton prices happened to be high when he first went into production. On top of that, he was faced with a bitter labour dispute and the mill stopped working. But the interest charges went to increasing and his hopes of repaying the short-term loans he had taken became dim. No one would lend him any more money as the mill was already heavily mortgaged. He

had therefore no other option but to sell away the mill. Everyone agreed that he would be lucky if he got back the money he had invested in the project.

Naturally, a number of people were interested in buying that mill. The machines were modern, the building was new and whoever bought – even if they paid the full price – would soon be making a tidy profit. It was rumoured that Mr.Arya was negotiating - among others – with Mr.Prasad as well as Mr.Raj. But it was not generally known that Mr.Kumar was also interested. Because two or three people were interested, he hoped to get a good price.

It was at this time that on one of his rare visits to the Kamalapur Club, Mr.Kumar happened to meet his erstwhile seniors Mr.Raj and Mr.Prasad. “It is such a long time we have met each other”, he greeted them in a friendly manner.

“You are a busy man”, remarked Mr.Prasad.

“Yes, that is unfortunately true”, replied Mr.Kumar. “But I think you are wiser. Better to take things easy instead of joining in the rat race that benefits no one. But I am glad I met you today. I would like to invite you both for dinner. How about next Saturday?”

“Is it anything special?” Mr.Raj enquired.

“Surely, you do not need a special occasion to invite old friends”, said Mr.Kumar. “I just want to talk about old times. I cannot forget that you two were responsible for giving me a big chance by making me the chairman of MOAK. I never forget such things”.

They were both very pleased and accepted the dinner invitation.

Mr.Kumar could be very charming when he set out to please someone. He made them sit in the most comfortable chairs and served the best scotch in his possession and the conversation was all about the old days in Kamalapur. “You may not know it or realize it”, Mr.Kumar told his guests. “But I have a great deal of respect for you two gentlemen. But for you, Kamalapur would not be the same. You laid the foundations of the Kamalapur textile industry on which people like me have been able to build. No one can take that credit away from you”.

The two gentlemen were happy, though each felt he should not have been equated with the other.

But Mr.Kumar continued. “I feel that the town should do something in return, something to recognize your services, such as naming a major thoroughfare after you or having your statues in important locations in the city”.

“It is very kind of you to say so”, acknowledged Mr.Raj.

“After all, you are the mayor of the town. It should not be difficult for you to do it”, Mr.Prasad commented.

“Now you see why I did not want anyone else to be present at this meeting”.

The guests duly nodded their heads in appreciation of such discretion.

“As you know, we have to get it passed in the Municipal Council meeting and also get the permission of the state government. I am wondering how we can short-circuit the whole process. I shall discuss it with the concerned minister, that is, if you agree with the idea”.

“If I may offer a suggestion”, Mr.Prasad began.

“Of course Mr.Prasad; that is what we are here for, to finalise the whole thing”, encouraged Mr.Kumar.

“If my statue were to be installed at the junction of Prithvi Raj Road and Sullivan Street, it would be appropriate”, suggested Mr.Prasad. “My family has lived in Prithvi Raj Road for three generations. Also, there is plenty of space for a statue, and not much traffic. Only, you will have to remove the policeman’s platform from the centre”.

“That is no problem since we are going to introduce traffic lights at all importance junctions in the city shortly”, the Mayor answered.

Mr.Gajapathy Raj was thinking of exactly the same spot for his own statue since he also lived in Prithvi Raj Road and he was disgusted at the unseemly hurry with which Mr.Prasad had come out with the suggestion. On the other hand he did not want to contradict his friend and rival openly. “It is of course for the municipality, and for you to decide on what is to be done taking into account, the contribution of each of us,” he said. “As you know we have been eliminating the symbols of British imperialism from our towns and cities. So, the name of Sullivan Street could be changed to Gajapathy Raj Road. Prithvi Raj and Gajapathy Raj crossing each other would sound nice. Don’t you think so?”

“I am glad you gentlemen agree with me and I am thankful to you for your ideas”, said Mr.Kumar. “Naturally, the matter has to be kept confidential for obvious reason. Any premature disclosure would defeat our objective. As you know, there are unfortunately many people in this town who are jealous of your success and would gladly torpedo any efforts on my part if they come to know about it”.

“Of course, we understand”, both Mr.Prasad and Mr.Raj agreed.

After dinner, when the guests were feeling very mellow and at peace with everything, Mr.Kumar broached the real subject for which he had invited them.

“I believe you gentlemen are both interested in acquiring Sumangili textiles”, he enquired. “Arya knows about it and is hoping to play off one against the other in order to get a good price. I would advise you to be careful”.

“I believe a Bombay party is ready to take over”, said Mr.Raj. That was usually the excuse given whenever Kamalapurians wanted to outbid each other in the takeover of a business, that they did not want outsiders to get a foothold in Kamalapur industry.

“That rumour has been floated by Arya himself in order to get a better price”, remarked Mr.Kumar. “I want you to keep it to yourselves, but the next loan that Arya has to discharge falls due two and a half months from now. Till then, he can hold out. Therefore, the more interest you show, the higher the price is likely to be”.

“We don’t mind who buys it, but we don’t want it to go to a Bombay party”, Mr.Gajapathy Raj was magnanimous.

“You leave it to me”, said Mr.Kumar.

So, they left it to him. When Mr.Arya’s representative approached them, both Mr.Raj and Mr.Prasad put him off with some excuse or other in the hope that the price will come down. But after about a month, it was rumoured that Sumangili Textiles had been sold to Mr.Kumar for a ridiculously low price. When Mr.Raj personally telephoned Mr.Arya, he confirmed it. “I waited for you and I even sent a message to you, but neither you nor Mr.Prasad seemed in the least interested. So, I had to sell my mill to that crook. I couldn’t wait any longer”.

Mr.Raj then got in touch with Mr.Prasad and they both decided to go and confront Mr.Kumar. They felt he had pulled a fast one on them both.

“Of course I have purchased Sumangili Textiles”, answered Mr.Kumar. “I thought it was agreed between us that you would leave it to me. I remember one of you saying that you didn’t mind who bought it so long as it was not an outsider. And when I asked you to leave it to me, you both agreed”.

“But .....

“Perhaps you don’t remember what happened”, Mr.Kumar was hurt and indignant. “I knew you gentlemen had rather a lot to drink, but I didn’t think you would forget so important a matter”.

There was nothing left to be said except ‘goodbye’.

As the two gentlemen got up to leave, Mr.Kumar told them, “About that statue and the naming of the road, I have had a discussion with the minister and he explained the government policy to me. It seems that such honours and memorials should be conferred on people only after they have passed

away. So, I am afraid you will have to wait. Since you both seem very healthy to me, you may have to wait a long time”.

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Black market is like God; it is everywhere but you can't see it. Ever since 1941, when all businesses started making unprecedented profits, the words 'black market' came into general usage. Business men were accused of making money by unfair means in order to avoid taxation. In the fifties, it did not pose a serious threat to the national economy that it has since become. But ever since the then Prime Minister Jawaharlal Nehru announced that he would like to hang the black marketers from the nearest trees, people used to discuss it among themselves.

Whenever any displayed excess wealth or ostentation, if a lot of money was spent on a wedding, if a lady showed off a large quantity of diamonds about her E.N.T.(Ear, Nose and Throat), if a man travelled in a very expensive car, people usually said he must have made a lot of money in the black market. The managements of textile mills in Kamalapur were a fairly large and prosperous group. Naturally, they came in for a lot of criticism on this score. Though there were other business men who might have earned much more money, they were not visible to the public eye. A trade union leader advised Mr.Raj, “Mr.Raj, please do not flaunt your wealth in Kamalapur before our eyes. Buy a luxurious palace in Bombay or Delhi if you like; or have a mistress tucked away in a hill station and we wouldn't know anything about it. It is seeing such things in the midst of our own poverty that hurts us”.

Raids on industrial houses – which have been very much in the news in recent years – were somewhat rare in the fifties. Therefore, when there was raid on Mr. Kumar's residence as well as on all his offices, it was the talk of the town for weeks. Wherever people met, on railway station platforms, in bus stands, in offices and coffee shops and clubs, there was practically no other subject of conversation. Many people claimed to know exactly what had happened, how much money was unearthed, the value of gold and diamonds confiscated, and so on. Some got it from the servants of the household, some knew a relative of one of the officers who were responsible for the search and one or two people even claimed that they had got it from Mr.Kumar himself! Was Mr.Kumar arrested and released on bail? Who and what was the surety? And who was next on the list? These were the type of questions that interested and excited the public of Kamalapur.

The fact was of course no one knew exactly what had happened. Mr.Kumar behaved as if there was nothing unusual. Only once, when the question of raids came up in his presence, he remarked, “A raid outs me in a particular category of industrialists. It is a status symbol – a status only I enjoy in Kamalapur”. With that, the conversation came to an end.

“If it had happened to me, I should have been humiliated”, said Mr.Raj. “I don't know how he can stand there and boast about it, as if he had been given Padma Shree or something”.

But Mr. Prasad's reaction was somewhat different. "They will never find anything if they raided my house or office", he said virtuously. "There will be nothing to find; no money, jewellery or keys to safe deposit vaults. I believe in tax avoidance which is better and more ethical than tax evasion. As soon as a child is born in my family, as soon as the naming ceremony is over, I ensure that he or she becomes an income tax payer. Shares are transferred, gifts are put into savings bank accounts, insurance policies are taken out so that by the time the child attains majority, he or she is a full fledged income tax assessee and no questions asked".

"That is all right if you have sufficient number of children and grand children", commented Mr.Raj when he heard about it. "But I suppose Mr.Prasad has not heard about family planning".

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But the social changes that overtook Kamalapur society were in a way far greater than the economic and industrial changes.

In the old days, when brides or bridegrooms were considered, one of the first questions that were asked was, "How many acres do the family own? Do they have irrigation, or is it only dry land?" But the questions became very different in the fifties and later. "How many spindles do they have?" Or, "Do they have a workshop? How many people do they employ?" "Has the boy got an engineering education?" If it was a girl they were considering, instead of asking is she was good looking or obedient or if she knew cooking and singing as they used to do in the old days, they generally asked, "Has she been to a convent school?" Even at the level of the workers, similar questions were asked. "Was the boy working in a mill? Was he permanent or only temporary? Was the girl working in the reeling department?" and so on. To those who were already connected with industry, an alliance with an agricultural family was unthinkable. It might mean that a girl who had been brought up in the city would have to go and live in a village. And there were no fringe benefits in agriculture. To a family that was not in industry, an alliance with an industrial family was a stepping stone towards starting an industry, or getting a job in industry.

The rapid industrialization of the past decades, in particular the prosperity of the war years as well as the post-war period, brought about major changes among the industrialized sections of Kamalapurians. Until 1939, they were essentially agriculturists who had tentatively ventured into the industrial field. Their attitudes and ways of living were still largely those of the village. For many of the affluent agriculturists, their industrial income before the war was perhaps not as much as their agricultural income. It was not unusual to see them travelling in bullock carts or in horse drawn vehicles, or even buses. During the war years, when there was strict petrol rationing, Mr.Raj had created quite a sensation by arriving at the Kamalapur Club in a Victoria, drawn by beautiful white horse. Mr.Prasad remarked that he must have got it from Bombay where they were very popular as 'taxis'. But now, everyone had a car and many had more than one car per family. When I went to school, the height of my ambition was to own a bicycle, but children of the post-war period expected to go to school in a car as a matter of course. And most of them were going to European or Anglo-Indian type of schools with

English as the medium of instruction. Most mill-owners had built luxury bungalows with all modern conveniences. More money was spent on weddings than would have been considered possible or prudent in the past. While the consumption of alcohol was indulged in only by a very few people a generation ago – and that too clandestinely – drinking had now become a social habit. Not only affluence, but a relaxation of the old taboos and inhibitions brought about as a result of the war, the presence of a large number of British troops who were not bound by the traditions of the pucca sahibs and mixed freely with the Indians, had all helped to change the social atmosphere.

When I left India for Great Britain in the year 1937, one was not supposed to smoke or drink in the presence of one's elders. But I returned towards the end of the war, I was invited to parties where alcohol was freely served. But no one thought of offering me a cigarette and with my pre-war habits of respect for elders, I did not light a cigarette in their presence. Thus, though I was on 'drinking terms' with people like Mr.Raj, I was not on smoking terms with them.

All this is not to say that Westernisation had taken deep roots among the affluent Kamalapurians. On the other hand, more pilgrimages were undertaken to temples farther and farther away, but unlike the old days, they were undertaken in comfort. Again, unlike the old days, Godliness was combined with relaxation and shopping as well. Ceremonies were performed more elaborately, more expensive brahmins were hired for the purpose and dearer astrologers were consulted with regard to the future. But the simple, deep, positive faith of the villager had disappeared under a superficial veneer of sophistication. Often, these things were done because of tradition, because other people were doing it and because one's status demanded that they should be observed. Instead of positive faith, there seemed to be a fear of unbelief. Ceremonies and pilgrimages were a form of insurance against future calamities and for the life hereafter.

Status symbols too had undergone a radical change. Trotting bullocks were things of great value to my father before he started a mill. But now, they were cars. Caste and community, even learning, was no longer as important as before, unless that learning could be put to commercial use. I remember in the old days when a young man who was supposed to be educated married a girl from an old fashioned family and came to spend a few days with his in-laws, they produced a tattered copy of the Ramayana and politely asked him to comment on some of the verses. This put the young man to considerable embarrassment because his education consisted in going to college and learning English. When the truth was known the people commented, "He is not really learned; he has only been taught the 'crooked letters'" – which was the expression used by many old fashioned people when they referred to English. No such embarrassment awaited a young man in Kamalapur with regard to his learning. But the chances were, if he was 'England returned' as I was, someone might produce a sample of expensive cotton and ask his opinion about its value – which was what happened to me when I went to call on one of my relations.

Inherited status did not count for much unless a lot of money was inherited with it. On the other hand, achieved status was what counted. A man who had achieved success was looked up to irrespective of the manner in which it was achieved. Money and power – these were the new symbols.



The number of spindles an individual owned or controlled, the size and cost of his bungalow, the number and make of his cars, the diamonds that his womenfolk possessed, the amount of money spent on his daughter's wedding, the importance of the people who attended the wedding – these were the new symbols by which people judged one another in that somewhat narrow circle. While all Kamalapurians did not fall a prey to these changes, nevertheless, this was the prevailing atmosphere in which one lived and worked.

Financial success was the only thing that seemed to matter in the new society. The old Kamalapur saying, 'What is the profit?' seemed to have taken on a new, more complex and more sophisticated meaning. It was the only thing to which they paid tribute. If one had money, other forms of success could be purchased. Popularity? You always get a journalist to write about you in some paper and the article will appear with your photograph. Or, you could have an article written and publish it as your own. Respect? People respected you according to the size and make of your car, or the width of the gold border on your sari, or on the donations you gave to different organisations, or the number of people who trailed behind you when you attended weddings, funerals, et. There did not seem to be any other yardstick of measurement.

But underneath all these superficialities was the core of hard, efficient work in their chosen fields, the considerable risks they had taken with their names and fortunes before they got to where they were. They had no time or inclination for what might be called the 'finer aspects' of life. Having succeeded, it was only natural that they should be self-satisfied with their achievement and respect only those who had made a similar success in the same field.

A generation earlier when Mr.Raj and Mr.Prasad had started their mills, nearly ninety percent of the shareholders were people of their own community and personally known to the founders. It was felt that to have your close relatives as large shareholders and as members of the board gave the company strength and stability. In fact, but for their help, the mills might never have been started at all. But now, people tried to avoid relations as business partners as far as possible. The close relatives who had started as partners were all separate now and when they went into new ventures, they avoided relations, instead of going round the villages to collect shares in bullock carts, they went to share brokers and financial institutions to have their shares underwritten. They approached the market through newspaper advertisements.

Another major change that had overtaken Kamalapur society was in the status of women. In the post-war period, most girls from well-to-do families were getting a good education – usually in convent schools with English medium. They were no longer interested in what was usually described in the old days as domestic duties. Even when they were, their interest was confined to specialized cooking, interior decoration, child rearing according to modern ideas rather than dealing with a charcoal fire in the kitchen. Having servants as well as labour saving gadgets, the routine domestic duties did not take much of their time, further, after the abolition of the managing agency system, many managements appointed their daughters, nieces, or daughters-in-law to various posts in their organisations. The girls were usually well educated – often much better than the sons – and interested in things. This was done

mainly to give the ladies an income and also to reduce taxation. They were usually appointed as welfare officers or public relations officers and were not expected to take their jobs seriously or even to attend office. But many of the ladies took themselves very seriously, attended training programmes, learnt to analyse balance sheets and gradually reached higher positions in the organisations. One lady, Mrs.Ranjani Sirkar, became managing director of the company after her husband's demise and was running the business very efficiently.

Some ladies also established independent businesses of their own like boutiques, specialized sari shops, or organized exhibitions of painting and so on. Other took to social service and found employment for poor girls organizing handicrafts of various types. Many of them drove their own cars, travelled alone to far off places like Delhi, had short hair, used lip-stick, wore trousers and often advised their husbands on business matters. Commenting on the progress of women, Mrs.Gajapathy Raj once remarked, "And to think that only thirty years ago, when I decided to part my hair at the side instead of in the middle, my mother-in-law took me to task and I had to change back!"

There was now a new generation of young men and women who had never lived in a village, to whom agriculture was not burning passion or a way of life, but something they had inherited and in which they were not very interested. Bullock carts and horse carts were things that they saw on the roads but they themselves would think twice before getting into one of them. Modern conveniences were not just luxuries for them – as they were a generation ago – but something they took for granted. Old relationships of caste had been replaced by a growing cosmopolitanism of the city and new affinities were created as a result of social, cultural and commercial contacts. While at one time, ninety percent of the people attending a Kamalapur wedding would be relations and people of the same caste, now more than half the people would be friends or business associated from outside the community, so much so that Mr.Raj remarked at one of the weddings in his family, "When people come, I do not know whether to greet them in my own language or in Hindi or English".

The new generation did not often know of the struggles and difficulties of their fathers and grand fathers and the risks they ran in establishing industries. Starting industries was no longer a gamble as it was fifty years ago, but a decision based on a number of known and calculated risks. Consequently, the skills required to establish industries had also changed from what they were in the pre-war days. But what was important was that the younger generation had acquired these new skills. Many of them had been sent abroad to study in British and American Universities and had returned not only full of knowledge but also full of confidence. Nor was their vision bound by the narrow confines of cotton growing, ginning, spinning and weaving. They naturally turned to other areas of industrial enterprises. Engineering, textile machinery, electric motors, synthetics, and later, electronics, were being established and run successfully. Kamalapurians were beginning to make a mark not only on the industrial map of their city but also at the national level.

Instead of going on pilgrimages, the younger generation went on frequent holidays. They lived and worked at a much faster rate than their fathers and rest and relaxation were essential for them. They also began to acquire wide ranging interests in sports and games, in art and architecture, in music

and dancing, in social service and wild life. When I published my first book, I remember Mr. Prasad asking me, "Why do you bother to write books? You can buy any book you want from a shop". Yet, today, my books are bought and read by Kamalapurians who can afford them. They have also contributed significantly in the fields of education and medical services and the colleges and hospitals run by Kamalapurians are considered some of the best in the country. In the course of one generation, Kamalapur has moved from a sleepy, district headquarters town to a thriving industrial city full of life and vigour, looking hopefully into the future. From being feudal, it had become a technologically mature society with an airport, two five star hotels, bus services within the city and parking problems in the bazaar.

And the man who was the cause of it all, the man who set the ball rolling by constructing the first textile mill said somewhat wistfully "Kamalapur is not what it used to be. I don't know where it is all going to end".

## CHAPTER EIGHT

### The Age of Anxiety

The fifties was a period of hope and expectation for the textile industry. It was a time of growth and development, of technical and managerial innovations, of stability and continuing profits. The warning signals that were present in the situation were ignored by many and taken note of only by a few. But the sixties and subsequent decades were times of anxiety and uncertainty. Profits of many Kamalapur mills began to drop alarmingly. Many of the older mills were showing losses for the first time after two decades. Having been used to good profits and having assumed that such profits would continue for ever, many of the managements were taken completely by surprise. A prolonged period of prosperity had lulled them into a false sense of security and confidence. The gambler's spirit that had enabled them to take risks three decades ago was replaced by caution and a desire to play safe. Frankly, they did not know what to do, how it had all turned out like this. Some of them made a quick assessment of the situation, tried to analyse the causes and take remedial steps. But some seemed to have lost the capacity for that sort of effort. The enterprise and the hard work of the thirties seemed to have deserted them. There was lethargy, bewilderment and a feeling that they were no longer in control of the situation.

The managements who were in trouble blamed the Government for having licenced too many mills; they blamed their misfortune on the high price of cotton; they found fault with the banks for not lending them enough money for holding stocks and they blamed the consumer for not buying enough cloth. Perhaps there was some truth in all these accusations, but that they too should be blamed did not occur to them. After all, there were still many mills in Kamalapur making good profits.

The reasons for this state of affairs were deep rooted and complex. The seller's market which had continued since the war changed with the addition of many mills throughout the country and had become a buyer's market in the beginning of the sixties. Continuous drought over a period of two or three years had reduced agricultural production, increased food prices and consequently reduced the purchasing power of the mass of the people. At the same time, cotton prices had also gone up, increasing the price of textiles at a time when the public was least able to afford it. When the demand for textiles was high, all fabrics were sold, but now, people could afford to pick and choose so that only cloth from good mills was sold and those whose quality was poor were left holding their stocks. Mills who had been wise enough to modernize their equipment in the fifties could produce better quality at cheaper prices while those who failed to do so were now in trouble.

There was also a subtle change in public taste which many mills failed to take into account. As education improved, as industrialization accelerated and as urbanization increased, there was a change in public taste from course to medium and finer varieties, from grey to better finished fabrics and from traditional to cosmopolitan garments. Synthetics were gradually coming into the market and became popular because of their easy care properties. Further, they had the attraction of glamour and newness. On the whole, public taste was changing faster than the pattern of production in the industry and many

mills who went on producing the same varieties found they could not sell them. The spinning mills were particularly affected at that time because they were supplying yarn to handlooms which had neither any finishing facilities nor the ability to make use of synthetics. The powerlooms were still to come.

Further, the Indian public had been starved of the wide variety of consumer goods since the beginning of the war. But in the sixties, a large number of durable consumer goods were beginning to make their appearance on the Indian market. They included bicycles, sewing machines, transistor radios, wet grinders and other domestic gadgets. These articles were functionally useful – often helping the buyers to earn or save. They were also labour saving which middle class women appreciated, and they had a snob value. Many people in the middle and low income groups went in for these articles. It meant that the proportion of money available for textiles was still further reduced.

Since the first post-war recession of the sixties, there have been periodic depressions in the textile industry. In this respect, the textile industry seems somewhat unique in that there is no similar recession in other industries, not with such regularity or severity. People in the textile industry say that they have three years of boom, three years of gloom and three years of doom. But the periods of gloom and doom always seem much longer than the three years of boom!

Though this periodicity of the depression has been recognized and its causes have been analysed to some extent, yet, no one seems to be able to predict as to when the recession will arrive and when it is likely to depart. There are perhaps a very large number of imponderables – both national and international – that makes it impossible to forecast these economic fluctuations, much less prevent them. It seems that those who work in the textile industry have learnt to live with it.

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While many mills in Kamalapur had been modernized, some were not, particularly the older and the larger ones. The Blue Chimney Mills was the first one to get into difficulties. Mr.Raj knew it needed modernization but the cost seemed prohibitive for the largest mill in Kamalapur. It was one thing to start a brand new twelve thousand spindle mill with modern machines, good layout and highly rationalized workloads, but it was a different thing to modernize a large composite mill with all its problems of excessive labour, old buildings and out-dated machinery, even apart from the huge investment required. So, Mr.Raj kept postponing it and concentrating on the new mill he had started. It was like taking a second wife on whom one lavished all one's affection as well as wealth. It was doing well. But the old mill – foundation of his fortune – was floundering. Mr.Raj was not in his seventies, rather forgetful, unable to understand the developing situation as well as the new rules and regulations and the assistance the Government and other financial institutions were likely to render. He was living in his past glories rather than concentrating on new achievements. But fortunately, his son Raghava Raj had turned out to be a good business man. With his political connections, he was able to get the state government to give a guarantee to the banks for a large loan as working capital. He was also able to get some financial institutions to give a large loan for modernization at concessional rates of interest. He scrapped the very old machines that were uneconomical and replaced them with new ones. Again

because of his political influence, he was able to get the trade unions to agree for retrenchment of surplus workers and within two or three years, the mill was able to turn the corner.

Having made use of his political influence for rehabilitating his mill, Raghava Raj now made use of his industrial success for some political mileage. He spoke eloquently of the social responsibility of industrialists to keep their businesses running of the distress caused to the workers as the result of the closure of a mill. He urged his fellow industrialists for greater sacrifices and to run their businesses not so much for profit as for the benefit of the country. He made himself the most unpopular chairman of the Mill Owner's Association of Kamalapur. Yes, he had succeeded Mr.Kumar at long last.

Money for an industrial organisation is like blood for the human body. It has to be adequate and it has to circulate if it is to generate more production, more money and more profits and if the organisation has to remain healthy. Raghava Raj understood this basic truth and therefore, acting before it was too late, was able to save the mill.

Unfortunately, Mr.Prasad was not so lucky. The Red Chimney mills had been suffering from neglect for some years while he and his nephew concentrated on building their private empires. His son Lakshman Prasad was a bit of a play boy who was interested in many things, but none of which related to running a mill or a making a profit in any way. So, Mr.Prasad had to struggle to keep the Red Chimney Mills going, but it was an impossible task. He went from pillar to post to find some money. It was not possible to borrow from banks, nor from any of the financial institutions. The working capital had all been wiped away by the losses and a point was reached when there was no money to buy cotton or pay wages. The mill came to a stop. Mr.Prasad's nephew who had no sentimental attachment to the mill and who had only entered it more out of jealousy of his uncle, relinquished his directorship and concentrated on the mill he had started.

It was not so much a great financial setback for Mr.Prasad – since his other mill was doing well – as an emotional and psychological shock. He had spent the best years of his life in building up the Red Chimney Mills. It was a symbol of his entrepreneurship of his success. It made him one of the trail-blazers of the industrial revolution in Kamalapur and now it was closed and there were rumours that the Government was going to take it over and run it.

Meanwhile, people who had deposited money in the Red Chimney Mills because they trusted Mr.Prasad and he gave them a higher rate of interest than the banks, started clamoring for their money back. He got prosecution notices from the provident fund commissioner and the employees state insurance authorities for non-payment of money that was due to them. Cotton merchants who had profited for years at the expense of Mr.Prasad now threatened to take criminal proceedings against him. Many perhaps would not have bothered unduly about all this. They would have blamed it on the Government and on the recession. But Mr.Prasad could not bear all this. He was a proud man who had always discharged his debts and he felt he had let people down. He felt utterly humiliated. For one with his sense of traditional values and his ideas of honesty and integrity, there was only one way out. Early one morning when everyone in the house was still asleep, he got his revolver out, put the barrel into his

mouth and pulled the trigger. A note was left in his handwriting. "This is the only way I can pay people to whom I owe money", it said.

Mr.Gajapathy Raj stood silently by the grave of his cousin, rival and friend and shed tears, thinking of more than fifty years of their somewhat stormy relationship.

An interesting thing was that while the trade union leaders were haranguing about the perfidy and the callousness of the managements of the closed mills in allowing the workers to lose their jobs, the workers themselves seemed very sympathetic to the plight of their erstwhile employers. When Mr.Prasad passed away, almost all the workers turned up for the funeral. Many of them had tears in their eyes and they spoke in respectful terms about his contribution for building industries and creating employment. After the funeral pyre was lit by Lakshman Prasad and all the friends and relatives had departed, the workers held a condolence meeting and paid tributes to the founder of their mills. The fates had conspired to close the mills, they averred. After a year and half, the mill was opened under the auspices of the Government and when an enthusiastic special officer decided to remove the portrait of the founder from the board room, it was not Lakshman Prasad who objected to it. It was the workers who went in a deputation and demanded that the portrait should be reinstated! Though the mill had been nationalized and has become part of the National Textile Corporation of Kamalapur, the portrait still hangs in the board room. This is perhaps an indication that in spite of the bitterness and conflict of industrial strife, some of the finer human feelings have not been entirely lost.

Even Mr.Kumar found that he had expanded too fast, stretched his financial resources to their utmost so that one of his mills. The Kamalapur Spinning and Weaving Mills Ltd. which he had taken over from Bill Hanton had to be closed down. To purchase it was perhaps a bad business decision; he had paid too big a price for an old mill which needed a lot of investment. At the same time, recession overtook him. Though his other units were all making profits and he could have invested the money necessary to keep this mill going, he did not think it was worth it and allowed it to be closed. Mr. Kumar's decision was taken purely on economic considerations. He had no emotional attachment with any of his concerns.

In the case of Durgabai Mills, the managing director Mr.Ahuja decided to expand in a big way and rashly invested all his working capital in putting up buildings and as advances towards machinery. But by the time the machinery was delivered, recession was in full swing and he had to borrow at high rates of interest even to take delivery of the machinery. But his working capital was already wiped out, and he had no money to buy cotton and so the mill closed down, with brand new machines lying idle. It was a simple labour dispute that led to the downfall of Padma Shri Textiles of which Mr.Shetty was the chairman. He had about 250 excess workers and he wanted to retrench them. But the unions would not agree and it led to a prolonged strike. But by the time the workers were ready to compromise, the finances of the mill had deteriorated and the mill was not in a position to reopen. Therefore, instead of 250 workers retiring with full compensation all the 1500 workers lost their jobs for a period of eighteen months.

The case of Mr. Raj Narain received a lot of publicity and led to considerable gossip in Kamalapur. When his mill closed down, the Government appointed an investigation committee to enquire into the closure and make a report. A local newspaper managed to get hold of a copy of the committee's report and published it. Apart from other things, it was revealed that that gentleman had acquired the land adjacent to his mill from the Kamalapur Municipality at a concessional price for 'constructing quarters for his workers'. But instead, he had built a shopping complex on the site. Another interesting aspect of the problem was that while his mill had paid for the land, he had put up the shopping complex out of his own funds and was receiving substantial sums as rent, paying only a nominal sum as 'land rent' to the mill. All this was revealed in the newspaper article along with a photograph of the shopping complex. There had obviously been some collusion between the officials of the municipality and Mr. Raj Narain and there was a lot of speculation as to whether he would be prosecuted. But evidently the documentation was perfect. There was the allotment of land by the municipality; while the highest authority, the Municipal Council had allotted the land for 'workers' quarters', the health officer of the Municipality had refused permission for the construction of workers' quarters because it was an 'industrial' area! Then there was the lease agreement between the mill and Mr. Raj Narain regarding the land rent to be paid to the mill which had been duly approved by the Board of directors. Whatever one might think of the entire transaction, there was evidently little one could do about it.

While there might be only one or two ways of running a mill efficiently, there seemed to be hundred different methods by which it could fall sick. Industrial sickness could be just as difficult and complex to diagnose as sickness in the human body. Just as physical illness could sometimes be caused by psychosomatic causes, so also, industrial sickness could be caused by a number of socio-psychological causes which may be present in the environment in which the industry functioned. But while there was a tradition of three thousand years in the treatment of human illnesses and a number of specialists were available in different areas, we were only just beginning to understand the nature and causes of industrial sickness. The treatment was even more difficult because it depended – not on an objective evaluation of the situation – but on values, attitudes and often the political philosophy of the person concerned as to what kind of treatment is prescribed. As far as predicting sickness was concerned, it was again difficult because, the patient would insist that he was sick until it was too late.

One interesting development during this period was that Mr. Arya who had sold his mill Sumangali Textiles to Mr. Kumar, bounced back as a successful industrialist within a few years. With the money he got from Mr. Kumar, he bought another small unit which was on the verge of closure, entered into an agreement with the unions for rationalization of work and nursed it back to health. And then, he did something which was revolutionary. Synthetics were beginning to make their appearance in India, but cotton spinning mills still looked upon them with suspicion. Even when they used synthetics, it was only viscose fibre. But Mr. Arya, with the spirit of a bold gambler started spinning polyester staple fibre and supplied the yarn to the newly established powerlooms in the area. He provided them with technical assistance, had the cloth finished in a mill in Bombay. This proved to be extremely successful. Because of the high value of the fibre, his turnover went up and because of the popularity of the yarn



and the fabrics, his profit margin was also extremely high. Consequently, at a time when other mills were struggling for existence and survival, he was making record profits.

Between 1963 and 1965, seven mills closed down in Kamalapur and about five thousand workers were thrown out of employment. Four mills were sold to managements from outside Kamalapur and the local industrialists who had always tried to prevent outsiders from getting a foothold in their beloved city-could do nothing about it. At least another ten mills were said to be in difficulties. There were similar closures of textile mills in all the textile centres in India. But the interesting thing was, there was no cloth shortage in the country and the people were if anything, better dressed. This was a clear indication that there was excess production or a lot of high value fabrics were smuggled into the country.

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There was a demand from MOAK that all expansion should stop and there should be a ceiling on the number of spindles in the country. But privately, all profit making mills were expanding. Another interesting development was that while some mills were closing, others were starting a third shift in order to reduce their overheads. They were particularly lucky in this as far as Kamalapur was concerned. The workers who had lost their jobs as a result of the closure of the mills found temporary jobs in the third shift in these mills. As temporary workers, they were paid much lower wages, but it was a living as far as they were concerned. For the mills, it was a way of reducing costs at a time of great strain. The trade union leaders were in a dilemma. If they demanded full wages for these workers, the mills were likely to stop the third shift or sack them and take fresh ones. So, they turned a blind eye on the third shift.

As the closure of the mills began, there was naturally an agitation for their reopening. Trade unionists and opposition leaders demanded government auspices. There was a demand for the nationalization of the textile industry as a whole. There were accusations against the managements about diversion of funds from the closed mills to more profitable areas. There were processions and hartals and demonstrations, but as far as Kamalapur was concerned, there was not much social distress as most of the unemployed workers had found jobs in other mills, though at lower wages.

The State Government appointed a committee to go into the problems of closed mills. Discussions were held with the managements and workers representatives, with the bankers of the closed mills. It was found that the mills had to close down because they had no money either to pay wages or to buy cotton. In the case of two mills, the committee was able to persuade the banks to lend money to them on the basis of a government guarantee for the new loan. The measure was purely palliative. The basic causes for the original closure still remained and after about six months, the mills closed down again when the new loan was exhausted. Mr.Kumar was offered similar facilities for his closed mill – The Kamalapur Spinning and Weaving Mills Ltd – but he refused the offer. He said he would not like to reopen the mill and lose more money even if the money did not belong to him. His attitude was appreciated by some as being honest, but resented by a large number of people including trade

union leaders. But after the second closure of the reopened mills, the wisdom of his decision was obvious.

The workers and the general public often remarked that though the mills were closed and the workers were suffering, the owners of those mills did not have any problems. This was not quite correct. When a family had more than one mill or industry under its control – as in the case of Messrs Prasad or Kumar – the loss of a single unit did not affect their finances or their status unduly. But where a family had only one mill which had to be closed, it was not only an economic loss but also a social come-down in many subtle and unforeseen ways. Usually, the managements had the privilege of using the company's cars and drivers as if they were their private possessions. Now that mill cars were no longer available, with the increase in petrol prices, they had to economise quite a lot in their social habits. The imported cars of the mills gave place to Ambassadors and Fiats. They did not travel as much as they used to, did not attend many functions of a social nature, and became socially, somewhat retiring. They did not give any parties nor did they attend any. There were many other fringe benefits that they had to forego. But the psychological blow to their self-esteem was much greater than even the loss in income. As 'mill owners', they considered themselves as belonging to a particular social group. To find themselves outside that group was a loss of prestige that inwardly affected many people though they made a brave attempt to live it down. It was not that other, more successful industrialists treated them differently. It was that they themselves felt different. It was as if they had been excommunicated from their chosen faith.

The procedure for the take-over of closed mills by the Government was prolonged and cumbersome in those days. A committee was appointed by the Central Government to survey the economic, technological and financial affairs of the closed mill and make suitable recommendations to the Government. The committee had to consider in addition, the efficiency and the integrity of the management and the causes for the closure of the mill. But rarely did any committee condemn a management outright, not even in those cases where there was evidence of corruption. No management the past liability would have been wiped out as a result of liquidation. Another suggestion was that if the income tax act could be amended so that high profit companies could take over these mills and set off their accumulated losses against their current and future profits. But none of these suggestions were acceptable to the Government. It was a period when there was still a lot of glamour about the public sector, about nationalization and it was an opportunity to show – economically and politically – how the evils of the private sector could be set right by nationalization.

In the beginning, these mills were taken over solely in order to avoid social and economic distress among the workers who had lost their jobs. It was also felt that the wholesale closure of a large number of mills would affect the cloth supply in the country – particularly to the low income groups. The take over was considered more as an unemployment benefit scheme than anything else. Since the main objective was to provide employment, matters such as the technological or the financial viability of the mills were never taken into consideration.

But as more and more mills were taken over and running them became an increasing financial burden on the exchequer, there were attempts to rehabilitate those mills, change their was prosecuted as a result of the findings of any of these committees. All that the committees usually recommended was that the management should be 'strengthened' by the addition of one or two directors.

These committees took their own time for the submission of their reports. The report was then considered and a controller was appointed by the Government with some funds to run the mill. It must be remembered that the shareholders of the mill were still the legal owners of the mill and the controller merely ran it by virtue of the powers vested in him by the Government under the industrial development and regulation act. When the number of mills became sufficiently large, the National Textile Corporation was established in the year 1968 to run these mills. Finally, the mills were nationalized in 1974 when the shareholders ceased to exist.

During the period of the takeover of the mills, there was a lot of discussion and debate regarding the alternatives to the takeover of sick mills and their ultimate nationalization. One suggestion was that the mills should be compulsorily liquidated and sold as going concerns to efficient managements who would undertake to run them and who would be able to put them on their feet once again. This would have enabled the new management to start with a clean slate since production pattern, retrench excess workers and so on. But in spite of these efforts, those mills have been steadily losing money.

When the mills were nationalized, a certain amount of money was fixed as compensation for each mill, the amount depending on the valuation of the mill by a committee. But in most cases, the amount of compensation was hardly adequate to meet unpaid wages, statutory liabilities such as provident fund and E.S.I. contributions, and some mortgaged loans. Many banks which had loaned money to these mills lost considerable sums. But what was more pitiable was that many individuals – often widows or retired pensioners – who had deposited money in those mills because they offered a higher rate of interest lost their savings and were put to considerable economic distress. The shareholders and the managements of course got nothing.

The establishment of the National Textile Corporation and the reopening of all the closed mills were looked upon with indifference by a majority of managements in Kamalapur and elsewhere. Those who were still struggling for existence probably felt that it would have been better if the closed mills were not opened. Then, their changes of survival might have been brighter. But there were a number of areas where the nationalized mills and the private mills had to cooperate, such as wages, bonus payments, work allocation and working conditions, and so on. Very soon, the chairman of the local National Textile Corporation was invited to attend the meetings of the Mill Owners Association of Kamalapur and they got on well together. It was also felt by some private managements that now that the Government was also in the manufacturing business, they might be able to look upon the problems of the industry with greater understanding.

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By about 1970, the recession was giving place to better trading conditions. A couple of good monsoons followed by a reduction in food prices as well as cotton revived the textile market and those who had managed to survive the depression began to make profits. But for those whose mills had been closed and taken over, it was no help for they were out of the business altogether. By about 1974, the mills were making record profits, even better than during the war years.

And then, disaster struck again. Suddenly, in September 1974, there was sudden depression in the textile markets throughout the country. The immediate reasons was supposed to be income tax raids on some big wholesale yarn and cloth merchants in various centres, to unearth black money. There has always been a certain amount of unaccounted money used in the wholesale and retail marketing of textiles and these raids meant that, that money was quickly withdrawn from circulation. Consequently, there was not enough finance available for the distribution channels and the goods from the mills could not move out. Naturally, the trade came to a standstill and prices started tumbling. Many managements thought that this was a temporary phenomenon and held on to their stocks. But as weeks succeeded days, the bottom dropped out of the market. Those who had held on to their stocks had to get rid of them – if at all – at throw away prices.

Though the recession this time was far more serious than in the sixties, the number of mills closed down was far fewer. There were a number of reasons for this. All the really weak mills were already closed and those that were left working were better able to cope with the problems of disaster management. For example, they delayed payments to their suppliers for cotton and stores and spares; they delayed the payments of statutory dues such as the E.S.I. and the provident fund and used that money for paying wages and buying cotton. When some merchants refused to supply them cotton because of outstanding dues, they went to other merchants. Knowing all this, the merchants too took advantage of them by charging higher prices and delivering poor quality cotton. But at least, it kept the mills going until the arrival of better times. The banks which had lost a lot of money because of the nationalization of mills did not want history to repeat itself and continued to lend money even to losing mills in order to keep them running and to protect their previous loans.

Only two mills closed down in Kamalapur during this second recession, but by then, the Government was in two minds with regard to the take over of any more mills. And those two mills were taken over only after a lot of political pressure in the form of bandhs, hartals, processions and hunger strikes.

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There were two developments during this period that made the problems of the textile industry more complex. One was the phenomenal growth of powerlooms during the sixties and seventies.

When the Government did not permit the mills to install looms in order to protect the handlooms, all additional cloth required by the country had to come from handlooms only. This was a golden opportunity for powerlooms mushroomed, mainly in Maharashtra, but also in some other parts of the country. They had the advantage of high productivity when compared to handlooms and lower

costs when compared to the mill sector. Before the Government or even the industry realized what was happening, thousands of looms had come into existence in the decentralized sector. Most of them were unauthorized, often taking electricity from irrigation wells or domestic supplies. At one time, they even had an 'Unauthorised Powerloom Weavers Association'. Government had no option but to recognize and authorize those looms later.

In Kamalapur, Mr.Kumar was the first to realize the potentiality of the powerloom. During the late fifties, when some of his weaving workers retired, he persuaded them into buying his old looms with their provident fund and set them up in their back yards in tin sheds. He supplied them the yarn and took back the cloth. The cloth was processed in his finishing plant, stamped with the trade mark of his mill and marketed. This method was far cheaper than manufacturing cloth in his mill, paying mill wages and overheads and Mr.Kumar made a huge profit. The retired workers also made a good living.

But as time went on, the weavers replaced their old looms by new ones – even automatic looms were purchased in some cases – their productivity and quality went up. There was no Government control or supervision on what they produced and many of them produced varieties that were reserved for handlooms. As the number of powerlooms in an area grew, some entrepreneurs set up independent finishing plants. It was also possible for powerlooms to get smuggled filament yarn at a fraction of the price for which it was available locally. By the year 1980, the powerlooms were not only posing a threat to handlooms, but even more to the composite mills. What the composite mills thought of as a profitable appendage twenty years ago had become a monster that threatened their very existence.

The second development was the gradual relaxation and de-licencing of spinning mills. This led to the establishment of a large number of small units of one or two thousand spindles. Many of them started as waste spinning mills producing very coarse yarn for the manufacture of carpets, furnishings, etc. when they made a profit, they expanded and went in for finer counts. Being small units – more or less in the decentralized sector – their equipment was second hand, their wages low and their quality was poor when compared to the larger spinning mills. In Kamalapur alone, there were nearly fifty such small mills. While many of them have been successful and expanded, quite a few have come to grief and have been closed down.

It had always been asserted by experts that the size of an economic spinning mill was twenty five thousand spindles. Lately, it has been suggested that it should be fifty thousand spindles. These figures have been arrived at after taking into account the optimum utilization of machines in all departments, the provision of expert technical supervision and services, the level of technology, and such factors. That these small units have continued to exist and flourish seems to be against all laws of economics. But in an economy where different levels of technology exist side by side, and where trade unionism had not taken deep roots – as in rural areas – small businessmen with enterprise and initiative and a certain degree of unscrupulousness have succeeded in flouting the opinion of the experts.

These mills are to the spinning industry, what the powerlooms are the composite mills, though to a lesser extent. Between them, they have brought about a considerable degree of confusion in the yarn and cloth markets, upset the statistics of the Government and introduced more uncertainties in an

already anxious situation for many mills. If the market is bad, these mills do not hesitate to close down. Since their overheads are very low and their investment is small, they do not suffer great financial losses. Since most of their workers are temporary, they do not pay compensation or unemployment wages. But when once the market takes a turn for the better, they reopen their mills again. They are rather like the pirates of the textile industry.

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It was at this stage that the new textile policy of the Government of India was announced in the early part of the year 1985. The policy had many welcome features. For the first time, instead of being an unhappy compromise between conflicting interests, it seemed to be based on certain logical concepts and principles. These may be summarized as follows.

1. The Government recognized only two sectors of the textile industry namely the power operated sector and the manually operated sector. It meant that the powerlooms were treated on a par with the mill sector while handlooms and khadi were eligible for special treatment.
2. Greater freedom was given to managements to restructure their mills, close uneconomic departments, lay off workers, or expand where necessary.
3. The Government also made it clear that they had no intention of taking over any more mills unless they were economically viable.
4. In order to minimize the distress that might be caused to workers who might be thrown out of employment, it was proposed to set up a rehabilitation fund to pay compensation to the workers who might be thrown out of employment as a result of the closure of the mills.
5. A modernization fund was also proposed to be set up in order to accelerate the pace of modernization.
6. In order to give handlooms a major role in the production of textiles, the responsibility for the production of controlled cloth was transferred to the handloom sector.

This policy was hailed as a positive contribution to the growth and development of the industry and for the elimination of sickness in the industry by many knowledgeable people at that time. But over the past three years, the policy had lost its newness and has come in for a lot of criticism, so much so that the Government has proposed to appoint a committee for a reconsideration of the entire policy framework. But to attribute all the difficulties faced by the industry today to the policy would not be fair. They are due rather to the circumstances that have developed since the policy was announced on the one hand and the failure to implement the policy in some respects on the other.

In the first place, the price of cotton which was fairly steady in the year 1986 has shot up by as much as fifty to seventy five percent during the year 1987. Many suggestions have been made to the Government for the establishment of a buffer stock of cotton in order to regulate its prices and supply, but it has not found favour with the Government. But such a phenomenal increase in the price of raw

material has inhibited textile consumption in general and has caused considerable distress in the handloom industry. It had also been suggested that a yarn bank should be created in order to control the price of yarn for handlooms, but again, it has not been implemented. It has also meant that many marginal units which had to find increased margin money because of the increased prices of cotton found themselves in difficulties.

This brings us to the problem of closed mills. While the official policy of the Government makes it clear that mills will not be taken over, the state governments have obviously not accepted this policy and have been pressing the centre in various ways for the takeover of those mills. If the labour rehabilitation fund had been set up immediately and compensation paid at least to some of the workers, it would have made the workers as well as the public realize that the Government meant business. But as it is, there is utter confusion in the minds of the workers as to what is likely to happen. It is understood that a certain amount of money had been set apart for this purpose, but no disbursements have been made so far. Naturally, the workers are agitated as a result and want the mills to be reopened. If adequate funds had been set apart for this purpose and if the workers had been paid off and the non-viable mills had been closed permanently, the policy would have been a success and it would be economical for the Government in the long run.

Now that industrial sickness has assumed almost epidemic proportions, not only in textiles but in many other industries also, it is high time something was done about it. Financial institutions have been asked to monitor sickness, State Government officials are some times asked to study the problems, but none of them have been able to predict sickness in any particular company, much less prevent it. The establishments of organisations such as the Reconstruction Corporation and the Board of financial reconstruction have also not been able to tackle the problems. Considering the number and variety of industries in the country, and considering the socio-economic conditions under which they have to work, it is obviously impossible for such institutions to take any steps to identify and cure sickness in industry. At the most, they can give first aid. Only a separate organisation charged with the specific responsibility of studying the general causes (both long-term and short-term) of sickness can arrive at technological and economic parameters what would enable the prediction of malady and suggest solutions long before the illnesses reach a serious stage. The organisation should undertake in-depth studies on such problems as government policies with regard to particular industries, shortage of raw materials and power, problems of marketing and coordination between different departments of government. There should be adequate number of experts in such an organisation so that it will be possible to monitor continuously companies that are prone to sickness. Considering that the country is losing anything up to four thousand crores a year due to sickness alone, it would be worthwhile to spend even hundred crores a year on such organisation in order to reduce sickness say, by fifty percent. Above all, the institution should evolve objective norms or criteria for management efficiency and undertake development of such managements who are generally shy of exposing their weaknesses. It should also work in close cooperation with financial institutions and government departments and should cater to the special needs of below marginal units.

## CHAPTER NINE

### KAMALAPUR TODAY

I have come to the end of my story; or rather, the story of Kamalapur and how a small, little-known town became a thriving industrial Metropolis. The textile industry has played a major role in this transformation. My own part in this phenomenal development has been neither spectacular nor even substantial. But I have had the advantage of being the confidant of most of the leading men at one time or another. Messrs Raj, Prasad, Kumar, even Raj Narain, have consulted me frequently. That was because they respected my knowledge and discretion; they knew I didn't gossip; but more than these things, they knew I was not ambitious and would never pose a threat to their supremacy. That is perhaps why I have been able to write this history with a certain degree of intimate knowledge.

From the time I woke up in the mornings to the strident music of the Blue Chimney Mills siren and walked from Prithvi Raj Road to the Municipal High School, Kamalapur has changed a great deal. For one thing, it is no longer a municipality; it is a corporation proud of its mayor and his chain of office. The horse drawn vehicles have completely disappeared from its streets. Along with them have gone the women who used to sell grass for the horses and the arguments between them and the drivers. So have the milk vendors and the flower sellers and hawkers of vegetables. Milk is now supplied in bottles from a co-operative society at ten times the price. There are fast moving auto-rickshaws everywhere, weaving in and out of traffic with no regard to other road users.

The disappearance of these external symbols of tradition is but a sign of something deeper that has happened in Kamalapur. The easy going, gentle, leisurely pulse of life in the streets has been replaced by the rush of people and vehicles. Men have no time for each other. They elbow each other out the way and rush towards their offices, shops or other businesses. The roads have become narrower as a result of encroachments while the buses have become larger. People's attitude towards life and work seems to have undergone a radical change.

Thanks to the phenomenal rise in land values, many high rise buildings have come into existence. Even in the posh residential areas like Prithvi Raj Road, many old bungalows have been knocked down and building complexes have taken their place. Thanks to the wealth tax and urban property tax, many affluent families are finding it difficult to maintain their spacious houses. Lakshman Prasad, who inherited a large bungalow with three acres of garden has built two high rise blocks of flats with a swimming pool, tennis courts and car park. While he was failure as a textile industrialist, he has been eminently successful as a property developer and has established a big company for that purpose.

I heard the other day that a niece of Lakshman Prasad (his sister's daughter) had eloped with the son of Raghava Raj. The young couple did not bother to consult their respective parents and get their permission and blessings. They did not worry about auspicious times for the ceremony or inviting their friends and relatives and having a 'big' wedding. They quietly went off to a hill station, stayed in a five star hotel and sent a telegram to their parents. "Enjoying our honeymoon", it said and then, as an



ironic touch, "Wish you were here". Fortunately, the families did not take them at their word and go to the hill station to be with them. But they took it in their stride and asked the couple when it would be convenient for them to have a reception!

This is perhaps a small indication of the social changes that have overtaken Kamalapur in the last five decades. It reminds me of the day when I arrived in Kamalapur with my English wife. The reception at the railway station was anything but warm, the men of the family with grim faces and the women, near to tears. "How can you marry a woman with short hair and lipstick and with short, indecent dresses?" as someone put it to me. But some students from the only local college then in existence had come to receive us and asked for our autographs. When I asked why, they said, "Because you have broken the traditions and conventions of a backward society". But my family made us very happy in their own way and got to love and like my wife. I wondered after fifty years, 'Did I contribute anything to Kamalapur society by marriage?'

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One cannot say that the textile industry of Kamalapur is flourishing. But the easy going leisureliness of the early days has given place to anxiety and ruthless competition. Those who are efficient, professional and far-sighted are doing well. Thanks to rapid advances in technology in recent years, the difference between the good, modernized mills and the others has tended to increase. The others are struggling along and facing an uncertain future.

Apart from increase in land values, another factor that has influenced the textile industry is the level of industrial wages. It is rather ironical that textile wages in Kamalapur are higher than in the metropolitan city of Bombay. Thanks to the method of computation of the cost of living index in Kamalapur, this difference is increasing every month. As a result, many managements have realized that if they were to earn a profit, they have to do two things. One is to make use of the highest technology available in order to minimize labour cost. The second is to produce high value fabrics used by the upper classes. Such fabrics are not affected by recession. Better designs and high fashion fabrics are manufactured. Periodic fashion shows are organized by a few mills. One of Mr. Prasad's grand daughters who run a boutique has taken the initiative in organizing such shows.

Another effect of high land values and high wages is that Kamalapur industrialists are starting new industries outside Kamalapur district and often outside the state. This has had the effect of slowing down the growth of Kamalapur as an industrial city. At one time, Kamalapur was known as the fastest growing town in India. But other towns have been slowly catching up though Kamalapur continues to be the industrial metropolis of the state. Majority of the big industrialists have been diversifying into non-textile areas. Other avenues of investment include chemicals and plastics, machine tools, electronics and even tennis balls are being made here now.

Kamalapur became an industrial city not because it had any special natural advantages over the other towns but because of the ability of Kamalapurians to take risks and the spirit of adventure they possessed. What has happened to that spirit? Is it still thriving or has it become dormant because of the prosperity it brought about and made people more cautious and calculating?

There is certainly no dearth of entrepreneurship. But it comes not so much from the established industrial families but from a new crop of young men. They are not like the Rajs and Prasads of an earlier generation. They are educated young men – often with very little capital – but with a lot of new ideas. They borrow money from financial institutions on the strength of these ideas and establish small scale industries in light engineering, electronics and durable consumer goods. They run their industries with mostly government money, but within a short period, they have paid off their debts and then take a larger loan for expansion and diversification. Often, they have been fitters or electricians in the established industries. When they retire and collect their provident fund and gratuity, they use the money to establish a small scale industry. They have something to do, they have a business for their sons and they employ people instead of looting for jobs. Consequently, unemployment in Kamalapur is lower than in most other parts of India. Affluent house-wives are always complaining about the difficulty of getting domestic servants. One entrepreneur who had had his education in the United States has established a plant to manufacture solar heaters for domestic use. By shrewd advertising, he has made it a status symbol and no wealthy Kamalapurian likes to be without one in his bathroom. There are three industrial estates within twenty five miles of Kamalapur for such small and medium sized entrepreneurs. Yes, enterprise is no longer unique or confined to a few people in Kamalapur. One can say that it is widespread.

Thus, Raghava Raj and his son Jagannatha Raj have established industries in a neighbouring state where labour is plentiful and cheap. Others said it was bound to fail because there were no skilled workers in that area. But Raghava Raj found that rural people could be easily turned into efficient industrial workers if they were given systematic training. In fact, young Jagannatha Raj seems to be full of innovative ideas with regard to industrial management, as innovative as his grand father was sixty years ago. He believes in training for all workers, innovative research and what he calls explorative areas of industry. Thus, he is playing around with solar energy and wind power for industrial use and so on. It is rumoured that very soon we may expect something revolutionary from his laboratory.

When he eloped with Lakshman Prasad's niece Kamala, it brought the two families closer together and Jagannath has been responsible for improving the performance of Prasad's companies which were languishing and placing them on a sound footing. After nearly four generations of feud, rivalry and misunderstandings, the two families are at last united. The young people are not bothered about the past traditions. They merely laugh at them and at their grandfathers with tolerant good humour.

Kumar's industrial empire, built with such care and efficiency, had been split into two. His two sons – both equally ambitious as the father – could not get along with each other. As one son put it, "There is no room for two popes in the catholic church". Mr. Kumar had no alternative but to divide the companies, though he was still the nominal head. But the moment he passed away, the sons tried to outwit each other, there were police complaints, law suits and injunction orders on various companies. Even the staff were split on the basis of their loyalties and the companies started losing money. Raghava Raj, leading politician and a leader of society in Kamalapur tried to mediate in order to avoid public scandal, but his efforts did not bear fruit. Two of the companies are now closed and the others seem to

be on their way to closure. As one wit put it, “When we die, we are supposed to rest in peace; but poor Kumar unfortunately rests in pieces”.

Mr.Arya is considered the fastest growing industrialist of Kamalapur. Having established the first spinning mill for synthetic yarn, he also established two knitting factories for the production of socks, sports wear and outer garments from knitted fabrics. He also became chairman of MOAK in succession to Raghava Raj. But unlike his predecessors, he gave up the position after two years and established a healthy convention for future chairman to follow.

Raj Narain was the only true failure among Kamalapur industrialists. The traditional, old fashioned people of Kamalapur say that it was because of the sins he had committed in his business career. I am afraid I don't agree with that view. The idea of divine justice is a comforting thought, but rarely does it operate in the way it is supposed to act. There are many among the industrialists who have cut corners in their time and still have been successful. Raj Narain failed because he did not have the discipline and the temperament necessary for an industrialist. He was a speculator and a financial manipulator without the ability of a Kumar to juggle things around. He did not care for industrial efficiency or industrial costs. He did not understand organisations and people and how they behaved. Therefore he had to pay the price.

Of the industrialists of Kamalapur, Messrs Gajapathy Raj and Prasad can be described as pioneers and adventurers for they had to navigate in the uncharted waters of industrial development. Kumar could be described as a true entrepreneur brought about rapid growth by making good use of the changed circumstances of independence and planning. But Arya is an industrialist with ideas, vision and foresight. He was the first to visualize the coming popularity of synthetics and blends. He also foresaw the popularity of knitting for outer garments. Rumour says that he is now contemplating a plant for the manufacture of non-wovens. But my bet for the future is on Jagannatha Raj who wants to create new industrial know-how instead of merely copying it from others. His vision is not confined – like Arya's – to textiles only. His explorations in the field of industrial research are more adventurous and consequently, likely to be more fruitful. Thus, we see not only quantitative expansion but qualitative improvement in industrial growth from one generation to the next.

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Many factors have contributed to these developments in Kamalapur. In the days when I went to school, there were only four high schools and one arts college in the town. And even they were not very crowded. Today, there are perhaps fifty high schools, at least half dozen arts colleges, two polytechnics and an engineering college as well as a medical college. It won't be long before Kamalapur has its own university. Admission to these colleges is extremely difficult because the number of people wanting education – particularly engineering and medicine – is very large. Graduates of Kamalapur colleges are to be found anywhere from Hawaii to Alaska.

With increased education, with ever rising aspirations, with a feeling of almost aggressive equality, with frustration and impatience at their inability to get the kind of job they want, there has been a revolutionary change in ideas, values and relationships between people. To the younger

generation, disobedience seems to be an act of faith, contradiction and confrontation, a way of life, resistance to authority a motive spring of all action and social and spiritual chaos, an end in itself. Things are made worse because the older generation do not understand or appreciate these changes. Therefore, there no peace or tranquility, only a respite between one agitation and the next. Sometimes, I wish that mankind had been provided with a third eye like Shiva – not an eye with mere a sight, but with insight as well.

New ideas are always looked upon as dangerous by those in authority. It threatens their own privileged position and therefore they resent it. I realize that new ideas carry with them an atmosphere of unknown danger. Their implications are not often realized until it is too late. They have a habit of disturbing even tranquil minds and sewing the seeds of disruption. Those in authority whose primary responsibility is to maintain peace and stability are always apprehensive of original thought. But one has to realize that without original thought, there can be no progress in the long run. On the other hand, nostalgia regarding old ideas can be just as frustrating as nostalgia about people which is quite harmless. We like to hold on to familiar ideas and concepts. It tends to inhibit progress and leads to confrontation with what is new. Perhaps, it would be a good thing if ideas had date stamps on them – like patent medicines and films – with the warning ‘not to be used after such and such a date’.

So the generation gap is just as wide in Kamalapur as in any other town in India; perhaps wider since progress here is faster. But Kamalapurians – even the younger generation – are true pragmatists and are motivated by their favourite saying, ‘what is the profit’? Therefore, the confrontation is never allowed to go beyond manageable limits and never allowed to interfere with ‘progress’. They are also conscious of the fact that they are better off than most cities in the country. In spite of all the changes, the old spirit still permeates the city.

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A few months ago, I attended a very melancholy event. Mr.Gajapathy Raj passed away at the ripe old age of ninety one. He had not been in touch with events during the last few years and towards the end, he could not even recognize people. With his passing, a memorable era in the history of Kamalapur came to an end.

The family observed his passing, not as a sad event, but rather as an occasion for emphasizing their own importance in the scheme of things. Raghava Rah, with his usual efficiency and forethought, had made elaborate arrangements. Shamianas had been put up the previous night itself in anticipation of the event. Chairs had been hired and arranged in rows, cane chairs in the front for the more important guests and metal folding chairs at the back for the not so important ones.

“I am expecting the chief minister as well as some of the cabinet ministers; they were informed last night itself”, he told me. Refreshments had been arranged for visitors in a neighbouring house, as the solemnity of the occasion should not be disturbed in the house of sorrow.

But the mourners did not seem to realize that with the passing of Mr.Gajapathy Raj, an era had ended. In fact, in the conversation among the mourners, he was rarely mentioned. They were all talking

about Raghava Raj and his political future or about Jagannatha Raj and the unorthodox manner in which he did things. Only I sat there, thinking of the past, thinking how quickly things changed and people forgot them. Lakshman Prasad came and sat next to me.

“The old boy has had a good innings”, he said. “I don’t think he has any cause for complaint”.

“No, I suppose not”, I replied. When it came to the point, I too could not find words to express myself.

“He was very fond of you, you know”, he remarked. “So was my father for that matter. He used to say you understood people better than anyone else. Frankly, I have never been able to understand it”.

“It was because I never aspired for anything”, I told him. “I never attempted to compete with anyone. And when they came to me for advice, I told them the truth, even when it was unpalatable. They did not like it at the time, but later they realized how sincere I had been. Everyone – even Kumar – used to like me. They knew their secrets were safe with me”.

“You should write a book, ‘Kamalapur with its lid off’” he suggested, “With all the confidential information in your possession, I should think you could make people sit up”.

“They will probably chase me out of the town”, I replied.

“Things are different now”, he said. But really he had no interest in talking to me and went off towards the entrance in order to be there when the chief minister arrived.

Somehow, the death of Mr.Gajapathy Raj had made me think more and more about the past, about the old days of struggle and strife and success, and of course, change. Yes, changes have been revolutionary in physical as well as in psychological terms. When I go round the town and spot some old landmark still untouched by ‘progress’, I view it with a great deal of longing and satisfaction. Yes, Kamalapur is strange. The men who created the new Kamalapur would hardly recognize it now. The old people and things have all gone. Only I haunt the place, like a wandering ghost without any rest.