

CHAPTER IX

SOCIETAL RESPONSE TO THE CRISIS

In a society committed to planned socio-economic change like India, the economic activities of workers do not constitute isolated events. In a societal system, a sudden change in one part of the system, leads to the direct and indirect corrective regulatory response(s) from other parts of the system. Therefore, the personal economic failure of the respondents due to their sudden loss-of-job was apt to generate a corrective response from other organs of the society. Central and State governments, mill owners, trade unions, and social welfare organisations, are some of the important societal agencies which were expected to rescue these workers from their privations. The present chapter seeks to ascertain the roles of the concerned societal agencies which might have helped the workers in their distress. Two types of responses were expected from these agencies. Firstly, they could be expected to introduce effective relief-programmes to help the starving workers, and secondly, to make collective efforts for an early reopening of the closed mills. We here examine both the modes of responses-expected from the concerned societal agencies.

I. Role of the Employers:

When the mills were declared closed indefinitely, it

was expected that the employers, under both voluntary and compulsory obligations, ~~would~~ come forward to help the laidoff workers. Under the compulsory obligations, the owners were supposed to pay layoff compensation, compensation for the involuntary retrenchment¹, and refund of shares or loan from the workers' cooperative societies.² Under voluntary welfare measures, they were expected to provide the laidoff workers with a minimum allowance to continue their living. Other possible help they could have given to the workers was to pay their 'ahata' rents and thus protect them from eviction from their living quarters, to persuade the government officials to initiate the P.F.- refund and to issue job experience certificates to workers for getting reemployment elsewhere.

The owners of both the mills-including their management personnel, however, never came forward to provide any help to the workers. What to say of any voluntary measures, they even

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1. The present closures did not formally imply the retrenchment of workers, but, as told by many workers and their leaders, a gradual process was adopted during recent years by the employers to reduce the number of temporary and substitute workers. Sometimes, devious methods were adopted to remove even permanent workers from their jobs. The dismissal of 20 such workers from the Laxmi Ratan mill, is a case in point. For details see Chapter III.
 2. A workers' cooperative society functioned in the Atherton mill. For last few years the share of workers was not deposited by the employers. Consequently, at the time of the closure, the society was largely defunct.

ignored their compulsory and legal obligations. No layoff compensation was paid for a single day. Even, security staff and some clerks who remained on duty throughout the closure, were not paid any wages. Similarly, instead of helping the workers to collect their PF- refund, the owners had been mis-appropriating the workers' provident fund for a number of years. Union leaders had to struggle hard even for persuading the owners to issue authorised letters- showing the details of workers' PF accounts so that they could draw their refunds.

Far from initiating any welfare activity- obligatory or non-obligatory, the owners and management personnel of both the mills, as alleged by many workers and their leaders, threatened the workers with dire consequences (like handing them over to the police), if they made any representation regarding their outstanding wages. The result was that there developed acute hatred and bitterness among many workers toward their employers. While interviewing the workers of Atherton mill, we found their faces glittering with joy for a few seconds, when they used to tell us about the arrest of their employers under D.I.R., on the charges of bank fraud and PF loot.³ Many workers of both the mills had become so hostile that they swore to kill their employers if got a chance.

3. For details, see, The Blitz, Bombay, Oct. 9, 1976, p.21.

As soon as the mills were closed, their owners dissociated themselves from all the mill activities. This may not be wholly true with the Laxmi Ratan mill whose owners continued to evince some interest in the hope of the government releasing large sums as financial help to them. However, it was very true in the case of the Atherton mill whose owners, once left the mill, never looked back. No representation by the owners was made to any committee or ministry for a solution to the problem of the closed mill. Even, the meeting of the National Apex Body- the highest level bipartite committee, to resolve the problems of these sick mills, was not attended by the owners/financiers or their representatives. The result was that the mill was lying 'lavarish' (Orphan) in the words of many trade unionists of Kanpur.

Under such a state of affairs, it was futile to expect any monetary or non-monetary help from the employers. While interviewing the management personnel of these mills, we asked them: "During the closure, did you take any measures to help the starving workers?" In most cases, the prompt reply was: "It is the responsibility of their unions to take care of them". Some of them even callously justified their (workers') starvation. To regard the workers as thieves, to feel insulted in talking to them, and disallowing them to enter into the staff-colony, were some of the responses of the managerial personnel

to their workers. This master-servant mentality which is still reflected in the behaviour pattern of the management personnel, is well brought out by Orwell in these words:

"So you see he is still responding to the training of his childhood, when he was taught to hate, fear, and despise the working class!"⁴

In the same context we here mention a survey- experience which reflects the nature of relations existing between the management personnel and the workers. One shift-incharge of Laxmi Ratan mill was one of the worst sufferers of the closure. His troubles started when he allowed the mill workers to visit his residence (one of the quarters in the staff-colony of Laxmi Ratan Mill). Being associated with the union activities of the technical employees of the mill, he had developed good relations with many workers of the mill. He started helping the workers^{to} collect their PF- refund. For this, he also received a small commission from those workers. Other mill-officers who resided there, began to disapprove of the activity of the Shift Incharge and repeatedly warned him not to allow the workers to enter into their colony. Since a large force of workers backed him, the officials waited for an appropriate chance. As soon as the mill was taken over, some of the officials, who were re-instated in their jobs, lost no time in advising the new manager

4. See, George Orwell, op. cit., p.138.

of the mill not to reappoint this Shift Incharge.⁵ They succeeded, and till the writing of this Report, that is, after remaining unemployed for more than 26 months, this man has not yet been given his old job. During this long period of unemployment, his sufferings and privations may well be imagined.

From the foregoing discussion, it is apparent that if the employers and the management personnel did not extend any help to the workers in their period of crisis, they were also actively disinclined to do so.

II. Role of the Unions:

Trade unions in the organised sector act not only as the bargaining agents but are also responsible for the general welfare and security of the workers. Their role in the developing societies becomes more important where industrial relations are still in the process of evolution.

A major factor that poses a continuing danger to the job security of workers is the petty-trader mentality of the enterprise owners. Relatively low investment of capital is a common

5. Under the Take-over Act, the Government is not bound to reinstate the managerial staff. Fresh applications from the old staff were invited by the National Textile Corporation-the new Custodian of these mills, and it was open to the NTC to reappoint them or not. This enabled the NTC officers to reappoint only those personnel who were faithful toward their old employers. This act of the NTC was disapproved by both the workers and the union leaders but to no avail.

feature of the private enterprises in a developing economy. Therefore, in case a private factory-owner squeezes out the scarce capital from his unit because of his hoarding mentality or for more profitable investment elsewhere, he exposes the enterprise to the danger of a financial liquidation under any adverse situation. Under competitive conditions, such capital starved units tend to collapse and render their poor workers jobless and destitute. The factual evidence collected about the two mills here confirms such a pattern of role-behaviour by their owners. In such situations, a close and continuous watch upon the activities of the owners, becomes a prime responsibility of the concerned unions. In case, the union leaders are alert and communicate without delay the mis-deeds of the employers to the government, it becomes possible for the government to make a timely intervention and save the industrial unit(s) from collapse. Any failure or delayed action on the part of the union leaders or the government will lead to a growing sickness and eventual closure of the enterprises with the resultant loss of jobs by the workers.

Such was also the situation faced by these mills. Both the mills were owned by trader-capitalists who progressively repatriated the available capital from their mills. In the case of Laxmi Ratan mill, the local unions were mainly the 'management-unions'. The result was that the majority of the

workers were in the dark about the situation in their mill. Reverse was the case with the Atherton mill. The unions of this mill had been informing the government since long about the mismanagement of the mill. However, the government did not pay any attention to their reports. The result was that, when both the mills were financially ruined and more than 6,000 workers lost their jobs, nobody was there to help the workmen.

The after-closure role of the unions was even more inadequate. To some extent, the then prevailing state of emergency could be viewed as a factor constraining their activity. But as a matter of fact, the role of unionism as such had been declining in Kanpur. S.M. Pandey, in his work, 'When Worker Organises,' has presented an eventful account of the activities of Kanpur unions till the fifties. Unions were then well organised, membership was regular and proper accounts were maintained about their financial resources. There were situations when almost all the workers belonging to textile mills of the city went on strike for months. In their absence, their families were financially taken care of by the union leaders.⁶

Compared to their strength in the fifties, the present

6. The Eighty - days long historic strike of May 1955 by Kanpur textile workers is such an example. For details, see S.M. Pandey, op. cit., esp. Chapter IV.

activities of the unions would lead an observer to comment on the 'Decline of Trade Unionism in Kanpur'. We hope that sincere research will be done to analyse the factors that led to such a deterioration of a well organised union movement into 'union-shops'. Distortion of 'unionism' has grown to such an extent that terms like 'commitment for workers' cause', 'organisational honesty' have lost their meaning. To get legal or illegal benefits out of union activity appears to be the only objective of most of these professional leaders.

One can identify three major patterns of unionism in the Kanpur industry. In the first pattern come those top-rank trade unionists who have a long career of organising union activities. Most of them were associated with the workers' past movements in the city. They derived power both from workers' support and from their affiliation with political parties and national trade unions. To organise the labour force and to launch a movement, if some major labour-problem arises, is no longer the concern of these trade unionists. Most of them do 'unionism' on tele-phones', in persuading government authorities or mill-employers to listen to the workers' grievances. To go on mill gate and to organise workers is not their way of acting. Many of these leaders are financially well-to-do and in order to be more influential among workers, they prefer to get political support from the 'above' rather seek the support from the workers. No

union collected regular membership fee from their members. A large number of workers told us that, if for one year they paid 'union-chanda' for one union, the next year some other union enrolled them as its members. This was further supported by the fact that when the President of a Trade union was asked about the strength of its members in various industries of Kanpur, his estimate was of 35,000 members. When we asked the same question to its Secretary, he fixed the figure at 23,000. Some other leaders estimated its strength to be no more than 18,000.

The result was that during the closure of the two mills, only those trade unionists became relevant who had some access to the national-level political leaders. Such a link of communication became necessary also due to the promulgation of emergency which virtually stopped the workers' movements throughout the country. The result was that only those trade-unionists who were affiliated with the trade unions controlled by the Congress Party and its ally the Communist Party of India, could provide linkage between the workers and the government. Such trade unionists either wrote to the concerned ministers or telephoned them from time to time to seek the reopening of these mills. We call this pattern of union activity as 'telephonic' or 'armchair unionism'.

A second pattern of unionism was associated with those middle rank union leaders who constitute the bulk of union

leadership in the Kanpur industry. Most of these union leaders are professional leaders who directly or indirectly, legally or illegally, get some monetary benefit out of their union activities. Some of them, who are legal practitioners also, earn sizable incomes by pleading the workers' cases in the courts. Those who are not lawyers but are conversant with most of the labour disputes, have contacts with lawyers and get commission for helping the workers. While visiting a labour-court one can easily identify such union leaders. Wearing a fine cloth 'dhoti' and 'kurta', two to three golden rings in their fingers, and eating 'Pan' (betel), such leaders may be seen roaming around the court. Sometimes, it becomes difficult to understand whether they are the 'men' of the employers or the helpers of the workers. They serve as 'middle-men' not only between the employers and the workers but also between the top-grade union leaders and the workers. They are the persons who often organise workers against the employers.

During the present closure, the role of such leaders was however very limited. The main factor making them defunct, was the 'emergency'. The general fear of arrest, not only among themselves but also among the workers, stopped them from organising any workers' movement. Having no direct access to the ministers and political leaders, their role remained merely one of communicating to workers what trade unionists had told

them about the efforts of various parties to reopen the mills. In the early phase of the closure, when the state of emergency did not exist, they successfully organised the workers to pressurise the government and the employers to restart these mills. However, the sudden change in the national politics made them ineffective.

There is one more pattern of 'unionism' in the Kanpur industry which has brought it from a 'workers' movement to 'union shops'. Leaders doing such 'unionism' mostly belong to local unions and department-level working committees. Militant workers who form a clique of some workmen based on their caste, nature of work, religion or political affiliation, are the main recruits of such union leaders. To pressurise the owners and the management for getting some personal benefit, are their usual tactics. Frequently bribed by the management, they are used by the latter to divide the workers' unity. In return, their clique members are also benefited by getting permanent jobs or promotions, etc. These militant leaders are probably the main culprits who have done a considerable harm to the union-movement in this city. To bungle union-money; to charge a commission if a worker gets his gratuity; to collect illegal 'chanda' (in the name of union-fee) from workers; to organise a faction of workers for their personal gains, are some of the misdeeds of these leaders. As observed by Singh:

"It is for any enterprising unemployed youngman to start a union with 7 workers, get itself registered and argue workers' cases in labour courts. In this way professionalisation has been mixed up with trade unionism."⁷

However, like middle-rank leaders, these militant leaders are also functional. Firstly, they have a true knowledge of various disputes between the workmen and employers, and secondly, being in direct contact with the workers, they have some influence upon them. Therefore, whenever a need arises, it is they who mobilise the workers in favour of one trade union or the other. The fact, that almost all top rank trade unionists and many middle rank unionists are alienated from their union members, leaves them with no option but to depend upon these 'professionals'.

During the closure period, this last category of union leaders appeared to have vanished from the scene since the 'emergency' was declared. During normal days, to roam around the mill gates and to convert any issue between the management and the workers, into a power-play had been their favourite game. However, the fear of D.I.R. and MISA, and the bleak chances of getting any monetary benefit from the workers or the management, left them with no interest in any union activity.

So far, we have dealt with the general role of union-

7. See, V.B. Singh, ⁽¹⁹⁶⁸⁾ op. cit., p.52.

leaders in conducting union activities. We observed that only those trade unionists who belonged to the Congress Party and its ally, the Communist Party of India, were found effective in communicating to the governments- both Central and State, the after-closure situation of these mills and the plight of workers. Thus, though only through peaceful means, they tried to pressurise the government for taking over the mills. Trade unionists of the opposition parties had been either arrested under D.I.R. or MISA or had become ineffective due to the government - curbs on agitational activities.

Evidence regarding any programme of individualised help or collective rehabilitation by the union leaders to save the unemployed workers from starvation and misery, ~~was~~ totally lacking. A number of factors could be responsible for this. As we mentioned earlier, the Kanpur trade unions had no organised membership and therefore did not have any resources of their own. A share of whatever funds were collected, was removed for personal gains by the low-rank leaders. Consequently, the trade unions were financially handicapped in carrying out any welfare work. Another factor was the enormity of the problem. Almost 6,000 workers were laidoff. Even partial help to them would require a large sum of money beyond the capability of these unions. Thirdly, the disruption of all union activities during the 'emergency' had broken the morale of union-leaders. Among

themselves they were so isolated that it became quite difficult to launch collectively, any rehabilitation programme. The last factor in the situation, was the dislocation of the laidoff workers. Most of the union-leaders believed that more than 40 percent of the workers had already left for their villages. Those who stayed on in the city, were mostly out of their homes, throughout the day, in search of some alternative means of livelihood. In the Atherton mill some 400 to 500 workers daily attended the mill but most of them were aged workers who were nominally in search of some other jobs but were still hopeful about the restart of their mills. The overall result was that neither the union leaders launched any relief- programme nor they were in a situation to do so.

Despite the above facts, one praise-worthy step taken by the union- leaders, was to prevail upon the government to release the PF- instalments of the workers. Though, this money was deposited to help the workers during their old age, however, with no other source of livelihood, the release of this fund came as a great relief to most of the workers. Some other minor steps were also taken by the top-rank leaders. If, for example, they came to know that some temporary jobs existed in other mills or industries, the leaders tried to persuade the concerned employers to give preference to these laidoff workers. Similarly in some cases, the disputes between 'ahata' owners and their

occupants (workers of the closed mills), were settled by the intervention of some influential union-leaders. This saved some workers from the eviction from their 'ahatas'. The union leaders also approached the Kanpur Mahapalika officials to exempt the laidoff workers from paying their rents till their mills restarted working. They also persuaded the District Magistrate to make an official announcement - warning the private 'ahata' owners against evicting the tenants belonging to the closed mills. These were some of the constructive measures taken by the union leaders. However, the measures were so inadequate, when compared to the severity of the problem, that they hardly made any impact upon the privations suffered by the laidoff workers.

Before we close the discussion on the role of concerned union leaders to help idle workers, it will be desirable to separately discuss the after-closure activities of the local unions of the Laxmi Ratan and the Atherton mills.

After-closure Activities of the Laxmi Ratan Mill Unions:

Three main local unions existed in the Laxmi Ratan mill. These were: Laxmi Ratan Majdoor Panchayat, Laxmi Ratan Shramik Union and Laxmi Ratan Cotton Mill Employees' Union. During the closure, one more local union came into picture, named Laxmi Ratan Shramik Sangharsha Committee. This was an unique union headed by a mill official, a loyal man of the Management, and with a membership of only six workers who were identified as

the reliable men of the Management. The supposed objective of this union was to seek a way of restarting the mill. In reality, however, the main task of the members of this union appeared to be one of signing documents in favour of the owners that would help the owners retain their mill. There did not appear to be any other activity or function of this union.

The most dominant and also the most controversial union of this mill was the Laxmi Ratan Majdoor Panchayat. Its President, Mr. Badri Nath Tiwari was both 'Hero' and 'Villain' of the Mill. A militant leader by status; in the beginning of his career a loyal follower of the owner but now a compromiser, if a situation so demanded; a 'Sadhu' (saint) by dress but 'non-Sadhu' by deeds, Mr. Badri Nath Tiwari had almost ruled a majority of the Laxmi Ratan workers. To successfully organise workers against the Management and also to compromise with it at the peak of the workers' struggle for obvious reasons, had been the speciality of this leader. To cite only one case, in the early phase of the closure, when there existed no emergency, Mr. Tiwari had organised the workers to demand the arrears of their wages. The struggle turned so violent that the Additional District Magistrate of Kanpur had to intervene to resolve the issue. Before the Magistrate, the Management had offered Rs.2,000 to Mr. Tiwari-who, then, withdrew the struggle. This was not only alleged by a number of workers and some responsible trade unionists but

was also admitted by the 'Mantri' (Secretary) of the Laxmi Ratan Majdoor Panchayat who was also present there.

When we interviewed the Laxmi Ratan Workers, a majority of them accused Mr. Tiwari of controversial activities. Even, the management had filed a number of complaints in the Labour Office against Mr. Tiwari, accusing him as being responsible for bringing their mill to such a disaster.⁸ Talk to any trade unionist of Kanpur, and he shall start describing the notorious activities of Mr. Tiwari. In spite of the above facts, it is true that he was the most dominant leader of the mill. Two factors appeared responsible for the ambivalent role of this leader: First, he had all the requisite qualities to be a successful leader in our society. Militant by both act and attitude, outspoken, and wearing a 'Sadhu-dress' with a 'trisul' in his hand, he easily attracted crowds. The second and a more important reason for his emergence as an important leader in the mill, appeared to be his power derived from the owners. The history of this mill shows that the owners, due to their high political influence in the State politics, never allowed any trade union to work in their mill. They, rather, formed their own mill unions whose leaders were subservient to the management. Mr. Tiwari was the outcome of such a process. Whenever the dis-

8. See, the Records File of the Regional Labour Commissioner Office, Kanpur.

satisfaction amongst workers, due to their job insecurity and low wages, led to a workers' struggle, these union leaders compromised with the management. However, to maintain the faith of workers in these leaders, a faction of workers were given some relief, like making them permanent, giving promotions or increasing their wages, and so on. The mill workers had no choice but to rely on these unions. All the three local unions of this mill, at one time or the other, played in the hands of the management. The moment they tried to build up their independent identity, they were crushed by the management.

During the closure period, all these unions became completely dormant. In the early phase of the closure- when the 'emergency' was not declared, the Majdoor Panchayat tried to struggle for restarting the mill. However, the promulgation of emergency stopped all agitational activities.

The President of the Laxmin Ratan Shramik Union- another union of the mill, was a lawyer. His main interest in the mill was to argue the workers' cases in the court. During the 'emergency', he played safe and forgot the mill. The other office bearers of his union were the ordinary workers of the mill and most of them concentrated upon their individual means of livelihood. During the closure, they started small businesses like cycle repairing shop, giving rickshaw on contract, etc.

The last union, Laxmi Ratan Cotton Mill Employees' Union

hardly had any influence upon the mill workers. The President of the union was a teacher by profession. It was also a pro-management union meant to reduce the influence of the Majdoor Panchayat. With the closure of the mill, this union was also closed. Other than these local unions, some workers were members of Kanpur Mill Majdoor Sabha - a trade union affiliated to AIUTC. The members of the mill-committee of this union were seen helping the workers during the closure in collecting their PF- refund.

The above facts suggest that local unions of Laxmi Ratan Mill were largely non-functional. They lacked the commitment to launch a workers' struggle for pressurising the employers and the government to reopen the mill. They had also no financial resources as well as the will to carry out any relief programme. To what extent they were sincere towards the workers' problems, is evident from the following event:

While we were interviewing one of the leaders of Laxmi Ratan Shramik Union, a worker of the mill approached the leader requesting him to take him (the worker) to the Labour office and to approach the officials for solving his problem. That very morning, his 'ahata' owner had forcibly evicted him from his quarters. Hence, the worker was seeking the authorities' intervention to stop the 'ahata' owner from doing so. The leader showed his inability to accompany him pretending that

he had some fracture in his leg. After the disappointed worker left, the leader happily told us that his leg was not fractured and he had put an artificial bandage on his leg. "This is how we get rid of their unlimited 'farmaishes' (requests)", he explained.

This is how the leaders of Laxmi Ratan Unions responded to the needs of the starving workers. The result was that both the workers and their leaders centred all their hopes upon the trade unionists and leaders of the Atherton West mill. They assumed that, if the Atherton leaders' efforts to get reopened their mill succeeded, their (Laxmi Ratan workers') problem would also be solved.

After-Closure Activities of the Atherton Mill Unions:

In the Atherton mill, even prior to the closure, both Kanpur Trade Unions and Local Unions had been playing significant roles. The mill is known for its long history of the workers' movement. As observed earlier, the mill has been a trial place for workers and Kanpur mill-owners to demonstrate their strength. The result has been that, whatever legitimate or illegitimate activities were carried out by the owners of the mill from time to time, the unions kept the records of such transactions. The various acts of mismanagement of this mill were reported to the government by the local unions since 1972. But, true to its general policy of not intervening in the

private owners' 'affairs' till the problem took a political colour, the government had never made any sincere move to save the mill from being ruined. This is further evident from the fact that the owners/controllers of this mill had withdrawn from the mill completely, so much so, that they did not make even a single representation to any government authority about the reopening of the mill. In spite of this fact, both the Central and State governments made no timely move to take over the mill. It was only after a closure of more than 16 months that the Central government took over the management of this mill - along with that of the Laxmi Ratan mill.

Both Kanpur trade unions and the local unions took an active part in influencing the government to take over the mill. There were two main local unions in the mill, namely, Atherton West Mills Clerk and General Staff Union and Atherton West Mill Majdoor Committee. The latter was affiliated to the U.P. Industries Majdoor Federation. Besides these two local unions, there existed mill committees of the various trade unions of Kanpur. Some of these important committees of the Kanpur trade Unions were: Textile Labour Association (TLA) headed by Arjun Arora; Kanpur Mill Majdoor Sabha (KMMS) - affiliated to AIUTC and headed by S.S. Yusuf; Suti Mill Majdoor Sabha (SMMS) affiliated to CITU and headed by Ravi Sinha; Hind Mill Majdoor Association (HMMA), headed by Vinal Mahotra; and Hind Majdoor Panchayat (HMP), headed by Maqbool -

Ahmad Khan.

All the above trade unions, at one time or the other, tried to 'capture' the mill but the unions that remained dominant throughout were: TLA, SMMS and HMMA. During the closure, the role of SMMS was reduced to minimal. The police raided the offices of this union and arrested some of its office-bearers. Ravi Sinha, the General Secretary of this Union went underground. The result was that three top Trade Unionists of Kanpur, Mr. Surya Prasad Awasthi, Mr. Arjun Arora and Mr. Vimal Mehrotra, remained the key figures during the closure period. Incidentally, Mr. Awasthi and Mr. Mehrotra were also the members of the National Apex Body (NAB), the highest level national body created for negotiations between the workers and the industrialists. Mr. Arora was the then Chairman of Uttar Pradesh Labour Commission. As, all the three leaders also supported the Congress Party and its government, they had become the main link of communication between the government and the workers. Mr. S.M. Banerjee, then a Member of Parliament and a trade unionist also played a key role in exposing the misdeeds of the owners. A number of times, he raised the issue of these mills in the Parliament. The role of these trade unionists had become more significant because they also held high posts in the government. The result was that not only the workers but also the mill-owners attached importance to the

activities of these trade unionists.

The very fact that these union leaders could successfully argue the case of workers and succeed in pressurising the government for the 'take over', was made possible by the sustained efforts of another body of Atherton Workers, known as 'Joint Action Committee of Atherton West mill'. This Body was formed for a collective approach to the problem of the Closure and had representatives of various mill-committees of the concerned trade unions as well as those of the local unions of Atherton mill. Its secretary Mr. Shyam Swaroop Misra had prepared a comprehensive account of the mal-practices of the owners. It was through this account that union leaders exposed the misdeeds of these mill-owners and thus succeeded in forcing the government to book them for criminal proceedings.

As regards any individualised relief to the unemployed workers by the local unions of Atherton mill, the situation hardly differed from that of Laxmi Ratan Mill. Many union leaders were concerned at the plight of the unemployed workers. The inadequacy of the resources, however, made them ineffective. Stray cases of the union leaders' help to individual workers were observed but there was no general relief programme launched by them. To reemphasize, the decline of an organised workers' movement in the Kanpur industry, was mainly responsible for this state of affairs.

III. Role of the Government:

In a society which accepts the principle of a 'welfare state', the role of the government is of paramount importance in protecting the interests of the vulnerable sections of the population. Assuming the role of a Welfare State, if not in practice atleast in theory, the Indian government not only takes the responsibility for the welfare of the working class but also for the regulation of the industrial enterprises in the same context. As, Kurien observes:

"In very broad terms the philosophy behind the Indian economic policy is the belief that the welfare of society, especially that of the poor and weaker sections, is the collective responsibility of the whole community to be discharged through the State which acts as the agent of the people"^a

Like many developing countries who have adopted the pattern of a 'mixed-economy', the Indian government has been playing a two-fold role. On the one hand it protects the interests of the business community, and on the other, it is committed to the welfare of the masses. However, the last 27 years of economic planning in our country has demonstrated, that, though there has been a considerable discussion about socialism, it is yet to be translated into practice.

19. Sec, Kurien, C.T. - Indian Economic Crisis (1969) , p. 5.

The result of this ambivalent role of the Indian government has been, that, in many situations, to avoid a direct clash between the interests of private owners vis-a-vis workers, the government preferred to defer the issue even at the cost of putting the fate of thousands of workers at stake. The same phenomenon was observed when it came upto the government to intervene in the affairs of the closed mills of Kanpur. From time to time, the government gave the workers vague and oral assurances about an early restart of their mills. The government also issued oral warnings to the employers- threatening to take over their mills if they failed to restart them. However, for more than a year, both the Central and the State governments silently waited for the employers to come forward and restart their mills.

Even prior to the mills' final closure, the government was aware of the precarious conditions of these mills. Still, it did not move to solve the issue. This attitude of the government should be understood in its proper perspective. It has been observed that during serious trade fluctuations or general recession in a free economy, it becomes essential for the industrialists to make a part of their productive machinery idle. This, on the one hand, helps them to get rid-of various financial obligations, and on the other, it makes them able to recover in a more favourable market situation. Therefore, to

protect an industrialist from a total financial collapse, a government prefers to let workers face intermittent unemployment. Thus, to keep the man-power idle till the better days return, becomes an inevitable consequence of the trade fluctuations in a capitalistic economy. In such a situation, business community expects the government to provide them adequate financial help and if it is not possible, then, to allow them to temporarily close down their business.

Therefore, during the period 1974-76, when hundreds of industrial units were collapsing, the role of the Indian government was not surprising. Lacking the large capital resources, required for rehabilitating the sick units from financial bankruptcy, it acted as a mere spectator and allowed the industrialists to layoff workmen. The result was that more than half-a-million workers lost their jobs during this period.

There were a few exceptions where the government deviated from its usual policy and moved to take-over some of the sick units. It happened mostly in those cases, where, due to the determined efforts of the affected workers and their leaders, the issue of their sick units took a political colour, making it difficult for the government to ignore the situation. The take over of both the closed mills of Kanpur, should be seen in this context.

During the major part of the closure period, both the

Central and the State governments made no sincere efforts to tackle the problem of the unemployed workers. No relief programme was launched by any of the governments. The Central government with the intention of helping the starving workers allowed them to consume their provident fund.

Had the policy makers desired, they could have resolved the issue instead of letting the workers remain idle and consume their provident fund. While the starving workers made repeated representations to the then Commerce Minister Mr. D.P. Chattopadhyaya for solving the issue of their mills, the Minister had not only ignored their privations and miseries but fed them with mis-leading information. In support of this inference we reproduce here three letters written by Mr. Chattopadhyaya to Mr. Arjun Arora.¹⁰ The letters were written in response to Mr. Arora's seeking a solution to the problem of the closed Atherton mill.¹¹

10. From the Records of Mr. Arjun Arora, Kanpur.

11. In the early phase of the closure, most of the leaders of Kanpur unions, centered their attention only on the Atherton mill. There were three reasons for this. First, most of the trade unions were active in this mill only, and therefore, to help their members first, was their main concern. Second, the controllers of the Atherton mill had completely withdrawn from the mill which was lying like a orphan. Therefore, these leaders were convinced that the government 'take over' was the only solution left for this mill. And, thirdly, in the beginning of the closure, no body ever, thought that the government will also 'take over' the Laxmi Ratan Mill. It was the general opinion among most of

Letter Number 1:

D.O.No. 75/CM/P/9

SEAL

Ministry of Commerce,
India, New Delhi

July 2, 1975.

Dear Shri Arora,

Kindly refer to your D.O. letter of 24th June, 1975, regarding Messers Atherton West Textile Mill of Kanpur. We are seized of the matter and have appointed an investigating committee to look into the affairs of the mill. Government would be able to take a decision regarding taking over the management or other appropriate steps after the receipt of the report of the Investigating Committee. Under the Industries (Development and Regulation) Act, it is necessary to appoint an investigating committee before taking further action.

With kind regards,

Yours ~~sincerely~~,

sd/-

(D.P. Chattopadhyaya)

Sh. Arjun Arora
"Anana," 117/615,
Pandu Nagar,
Kanpur- 208005

(contd.) the union leaders - even among government authorities, that Mr. Ram Ratan Gupta, a partner of the mill, was so politically influential that the government would never dare to intervene into the affairs of this mill. The circumstances that led to the opposite situation, forms another story.

Letter Number 2:

D.O.No. 75/CM/9/9

SEAL

Ministry of Commerce,
India, New Delhi

July 21, 1975

Dear Shri Arora,

Kindly refer to your D.O. letter of 14th July, 1975, about Messers Atherton West Mills. I am passing on the note enclosed with your letter to the Investigating Committee, and am asking them to finalise their recommendations as soon as possible.

With kind regards,

Yours sincerely,

sd/-

(D.P.Chattopadhyaya)

Shri Arjun Arora
"Anama", 117/615
Bandu Nagar,
Kanpur- 208005

Letter Number 3:

D.O. 10/15/74-Tex. I

SEAL

Ministry of Commerce,
India, New Delhi

Aug. 7, 1975

Dear Shri Arora,

Please refer to my letter No.75/CM/P/9, dated 21st July, 1975 regarding M/s Atherton West Mills. I would like to convey to you the correct position which is that the investigation committee in respect of this mill has not yet been

appointed (emphasis ours).

After getting a survey report on this mill, we had taken up with the Ministry of Industry and Civil supplies the question of setting up an Investigation Committee under the Industries (Development and Regulation) Act. Subsequently, there were discussions between the Minister of Industry and Civil Supplies and Chief Minister, U.P. It was agreed at this meeting that the State Government would prepare a scheme on the rehabilitation and running of this mill economically and effectively. On receipt of this scheme, the Central Government would examine as to what course of action should be taken in the best interest of restarting the mills. I think it would be useful if you will also pursue this matter with the State government, and for that purpose send a copy of your note to them.

With regards,

Yours sincerely,

sd/-

(D.P. Chattopadhyaya)

Arjun Arora
 "ma" 117/615,
 Nagar,
 208005

The last two letters of Mr. Chattopadhyaya clearly on the one hand, the Minister was giving a

responsible union leader (who also happened to be the Chairman of U.P. Labour Commission) erroneous information, while on the other, he appeared to be evading the issue by shifting the responsibility to the State government. It would be relevant to mention here that the Commerce Ministry had already investigated the affairs of this mill. Officials from the Ministry had already visited the mill on 1st Sept, 1974 and found that the mill was deliberately mismanaged by the owners/controllers. They had recommended its take over.¹² Also, the State government had already investigated the feasibility of running both of these mills, and the inquiring officials. in their report, had shown the inability of the State Government to take over these mills whose financial liabilities ran into crores of rupees.¹³ One of the member of NAB also admitted the fact that, though willing, the State government could not take over these mills on account of its own financial constraints. This is further confirmed by the statement of a State government spokesman who urged the Centre to take over the closed mills of Kanpur.¹⁴

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12. The information is based on a letter (dated 21.4.1974) written by Mr. S.S. Misra, secretary, Joint Action Committee, Atherton Mills, to the then Prime Minister, Mrs. Indira Gandhi.
13. The Managing Director of the U.P. State Textile Corporation informed us that it was somewhere in June 1975 that the Report was submitted to the State government.
14. See, The Hindustan Times, Jan. 8, 1976.

The above facts suggest that both the Central and the State governments had no definite policy to tackle the problem of the sick units. This is further confirmed by the inconsistent statements released from time to time by various Central and State ministers. We here reproduce such statements (see Table 9.1) dealing with the government's policy about sick units in general and the Kanpur mills in particular. Information included here covers the period from Sept. 1974 to July 1976.

TABLE 9.1

Record of the Statements released by various Political Leaders/Government officials regarding the Policy of Government about Sick Mills.

Source of Information	Informant	Statement made	Take Over of Sick Mills*
1. From the Records file of Mr. S.S.Misra, Secretary, Joint Action Committee, Atherton mill.	Commerce Minister, Mr. D.P. Chattopadhyaya	The officials from the Commerce Ministry, who made investigations into the affairs of the closed cotton mills of Kanpur, recommended the mills' take-over.	++

* In this column, (+) signifies 'take over' in general of closed units, (-) signifies the government's policy of 'Non-takeover', (++) and (--) signs carry the same meanings particularly in respect to the closed Kanpur mills, and (±) signifies uncertainty about the 'take-over'.

2. From the Records file of Mr. S.S.Misra, Secretary, Joint Action Committee, Atherton Mill. Finance Minister, Mr. C.Subramaniam. On Aug 4, 1975, Mr. Subramaniam asserted that if the owners of the closed units do not do justice to the workers, their sick mills will be nationalised. +
3. -do- Government spokesman NAB, on Sept 29, 1975, in the presence of the Prime Minister, took the decision for a take over of the closed textile mills of Kanpur ++
4. The Hindustan Times, New Delhi, Jan 8, 1976. U.P. Government spokesman The Uttar Pradesh Government has urged the Union Government to take over the management of three Kanpur factories lying closed. ++
5. From the Records file of Mr. Misra Mrs.Indira Gandhi In a NAB meeting held on Jan 10, 1976, Mrs. Gandhi suggested to various concerned ministries to take an early decision about the take over of the closed Kanpur mills. ++
6. -do- Congress Party spokesman At the Kamagatu Nagar (Punjab) Session of the All India Congress, under 'Economic Programmes', decision was taken by the Party for an early restart of the closed sick units. +

7. From the Records file of Mr. Misra, U.P. Chief Minister While speaking at a public meeting at Kanpur on Jan 26, 1976, the then Chief Minister Mr. Bahuguna declared that the closed Kanpur mills will be restarted within 15 days. ++
8. The Hindustan Times, New Delhi, Feb 20, 1976 Mrs. Rajendra Kumari Bajpai, Labour Minister, Uttar Pradesh. Mrs. Bajpai announced at Kanpur that the State Government has sought Centre's approval for taking over the three closed mills of Kanpur ++
9. Danik Jagran (Hindi) Kanpur Feb 28, 1976 Mrs. Sushila Rohatgi, Dy. Finance Minister in the Centre. She told the press that, due to financial constraints, Central government has so far not taken any stand regarding the restarting of the closed mills of Kanpur +
10. The Siyasat (Urdu News Paper), Kanpur Mrs. Rajendra Kumari Bajpai, Labour Minister, Uttar Pradesh In a meeting at Allahabad the Minister announced that by 15th April (1976), both the Kanpur mills will start re-functioning. ++
11. The Aaj (Hindi), Kanpur, March 25, 1976 -do- The Minister told the press that government in the first week of April, will announce the date of reopening of Kanpur mills. ++
12. The Hindustan Times, New Delhi, April 1, 1976 Mr. D.P. Chattopadhyaya, Commerce Minister in the Centre. A Bill empowering the government to take over the management of sick tea undertakings and units initially for a period of five years was introduced in the Lok Sabha today by Commerce Minister. +

13. The Hindustan Times, New Delhi May 16, 1976 Mr. Vishwanath Pratap Singh, The Union Dy. Commerce Minister Addressing a Press Conference at Lucknow the Minister said that the Centre had decided to "get opened" the three closed Kanpur factories. One of the possibilities under consideration was their take over by the NTC. ++
14. The Hindustan Times, New Delhi May 25, 1976 Mr. Chattopadhyaya the Union Commerce Minister. In the Rajya Sabha, the Minister today rejected the demand for nationalisation of the jute industry.... He said, "I do not see any compelling reason why the sick units should be taken over". There were mills which had been "caused to be sick by questionable means." -
15. The Times, of India, New Delhi May 28, 1976 -do- The Minister told the Lok Sabha today that administrative and legal steps had been initiated for the take over of two closed textile mills of Kanpur. ++
16. The Hindustan Times, New Delhi, June 2, 1976 Mr. T.A.Pai, the Union Industry Minister He told newsmen that once an industrial unit was taken over by the government it would not be handed back to its previous owners. +

17. The Hindustan Times, New Delhi, June 10, 1976 Mr. Chattopadhyaya, Commerce Minister The Minister told Samachar that the government was working out a new scheme to tackle the problem of sick industrial units..." instead of the government taking over these mills, a way should be found out to make the managements run them" he said. -
18. The Danik Jagran(Hindi) Kanpur June 30, 1976 Mr. V.P. Singh the Union Dy. Commerce Minister The Minister told the newsmen that the government is arranging for an early take over of the two closed cotton mills of Kanpur ++
19. The Hindustan Times, New Delhi July 16, 1976 Mr. Gopal Das Nag, State Labour Minister of West Bengal He told newsmen that take over of three Jute mills two closed and the other sick in the State was being actively considered by the Centre. +
20. The Hindustan Times, New Delhi, July 19, 1976 Mr. Chattopadhyaya, the Union Commerce Minister He told newsmen that the government has no programme for nationalisation of jute industry, but would take over the management of any jute mill run inefficiently. +
21. The Hindustan Times, New Delhi, July 21, 1976 Hindustan Times Correspondent. The Centre has through an ordinance known as the Laxmi Ratan Cotton Mills and Atherton West Cotton Mills, Kanpur (taking over of management) Ordinance, 1976, taken over the management of two Kanpur textile mills lying closed since, May, 1975. ++

The above table conveys a number of interesting facts about government's policy regarding the take-over of sick industrial units. As regards the closed textile mills of Kanpur, both the Central and the State leaders made positive announcements regarding their take over. Only, Mrs. Sushila Rohatgi, the then Union Dy. Finance Minister made a negative comment about the take over (see, the statement number 9) of these mills. Her plea was that the government had taken no final decision on these mills due to its financial constraints. It would be relevant to mention here that many Kanpur union leaders and workers alleged that Mrs. Rohatgi was close to one of the owners Mr. Ram Ratan Gupta of the Laxmi Ratan mill, and to help Mr. Gupta, she had been influencing the Central leaders for not taking over his mill. Whether this allegation was true or false, is not known. However, a number of M.L.As. belonging to Uttar Pradesh also played a dual role in this regard. To quote the incident, on 16th May, 1976, a camp for the Congress workers was organised at Kanpur. It was inaugurated by the then President of U.P. Congress Mr. Laxmi Shanker Yadav, and the then Chief Minister Mr. H.N. Bahuguna performed its valedictory function. An unanimous resolution was passed by the attending congressmen- including a number of M.L.As to request the government for the take-over of the closed mills of Kanpur. After two days that is since May 18 onward, the

NAB held its meeting at Kanpur. The issue on its agenda was to listen to both owners' and workers' side of the closure-lease. In this meeting, Mr. Ram Ratan Gupta presented a list of more than 130 congress M.L.A.s from Uttar Pradesh who had requested the Government for not taking over the mill of Mr. Gupta since his contributions to the Congress Party were quite significant.¹⁵ No need to mention that a number of the M.L.A.s who had signed this letter, had also passed the resolution in the Congress Camp for the take over of the mill. This shows the nature of role played by the so-called 'representatives of the people'.

Coming back to the discussion about the information included in Table 9.1, we find that, while the Central government appeared to be sympathetic toward the closed mills of Kanpur, it, by and large, discouraged the take over of the sick units. Thus, on the one hand, Mr. Chattopadhyaya declared the general policy of the government as the non-takeover of the sick or closed units, on the other hand, he also announced the take over of the Kanpur's closed - mills (see, item Number 14 and 15). If we recall the correspondence between Mr. Chattopadhyaya and Mr. Arjun Arora, we find that while in May 1975,

15. This fact was also accepted by one of the members of the NAB.

the Minister showed no interest in the take over of these units, the situation had changed within a year and the Minister had to concede the demand of take over. What transpired within that period, is out of the scope of this chapter. However, a number of factors could be responsible for this. The pressing demand of the Kanpur trade unions for the take over; the advantage to Kanpur workers due to the inclusion of two Kanpur trade unionists into the highest level negotiating body, NAB; the support of many Lok Sabha members to the demand for take over; the political significance of the working class of the Kanpur industry; the alleged rivalry, on the one hand, between the then Chief Minister of U.P. Mr. Bahuguna and Mr. Ram Ratan Gupta (one of the owner of Laxmi Ratan Mill), and between the Kanpur trade unionists and Mr. Gupta, on the other; the diminishing influence of Mr. Ram Ratan Gupta in the State politics; and the complete withdrawal from any mill activity by the Controllers/owners of Atherton Mill, were some of the important factors that probably made the Government deviate from its general policy toward sick mills.

The above facts also confirm our early assumption that it has been normally the policy of Indian government not to intervene into the affairs of private owners. Only unusual circumstances forced the government to change its stand.

One more observation could be made from the above table.

Since the very beginning of the closure, State leaders made such optimistic statements that the reopening of mills appeared round the corner. However, it took more than a year before the mills started refunctioning. In releasing such statements whatever may be the interest of these leaders - political propaganda or assurance from the Central Government or ignorance about the real situation, their false assurances harmed the workers a lot. Many workers did not go in for another job for the simple reason that almost every fortnight some leader used to declare that the mills will restart the very next week. We ourselves observed instances, where some workers coming to know of such assurances from local news papers, borrowed some money for travel, and from their interior countryside rushed to Kanpur to rejoin their duties. Reaching their mill gates they were told by other workers that this game had been continuing since months. Had there not been such false assurances from the government leaders, the laidoff workers would not have suffered to that extent.

Concluding our discussion about the government's role regarding the closure situation we found that the government moved into the situation at a very late stage. The workers' sufferings could have been avoided, and the deterioration of the closed mills' financial position prevented, if the government were to intervene in the situation in time. For most of

the closure period, the government remained a mere spectator while the unemployed workers starved.

As regards the constructive role of other social welfare agencies, there was no evidence of any help rendered by them. In Kanpur city there hardly exists any such agency. Leaving aside a few instances of charitable organisations-working only in three or four big cities, they are virtually non-existent in the country in relation to the needs of the poor and the destitute. In a society where more than 65 per cent of the masses live below poverty line and are vulnerable to any adverse situation, the role of voluntary relief agencies becomes insignificant.

Conclusion:

This chapter shows the highly inadequate, defective and tardy response of the society to a serious crisis situation affecting the economic survival of about 6,000 of its citizens. The various social agencies relevant to the situation differed widely in their response to the workers' miseries and destitution. The employers were unsympathetic, the unions were ineffective and ill-organised and the voluntary social welfare organisations were unconcerned or indifferent. The government was undecided and vacillating in its decisions and delayed in its action. The situation exposes

the defective nature of the government's industrial policies in so far as they fail to monitor the working of the sick industrial units and prevent their collapse through its timely intervention. The situation also brings out the serious structural and economic weaknesses in the Indian society's capacity to rehabilitate its citizens in distress. The goal of the nation as a welfare state remains distant.