



**GETTING
INDIA
ON THE MOVE**

THE 150 YEAR SAGA OF
SIMPSONS OF MADRAS

S. MUTHIAH

HIGGINBOTHAMS LTD
MADRAS, INDIA
1990



Introduction

Simpsons of Madras celebrates its 150th year this year. The celebration is a reminder that it is one of the oldest commercial undertakings in continuous existence in modern India. More significantly, it is very likely the oldest in the field of road transport. This history, therefore, not only tells the story of Simpson & Co, but it also provides a glimpse of the evolution of road transport in the country, especially in the South.

But the story of Simpsons cannot be told without telling the story of Amalgamations and the men who created both. Simpsons begat Amalgamations and Amalgamations became owner of Simpsons which owns all the engineering companies in the Group. The stories of the two companies — and the companies they acquired or founded — become inseparable as their tales progress and remain intertwined to this day.

Equally, the story cannot be told without narrating the story of Madras, the city which was the genesis of modern India. Nor can it be told without narrating the history of road transport in the Presidency-which-grew-around-the-city, as well as in the rest of the country. Both provide the opportunity to commemorate the fact that Simpsons was founded the year Madras celebrated the 200th anniversary of its fort, Fort St George, from which the city grew and that it celebrates its 150th birthday more enthusiastically than the state marked the 350th anniversary of the fort which still remains its citadel of power.

Trying to tell four stories in one and within the bounds of one volume is a well-nigh impossible task. Simpsons and Amalgamations, and those who lived their years to make them not merely organisations of profit but who also saw in them a sacred trust by which they could contribute to the growth of an emerging independent nation, naturally occupy the lion's share of this book. But in their stories, if you read between the lines, and in certain other parts of the book you cannot miss the story of Madras and the romance of getting a country on the move. The window on both that Simpsons opened for me triggered the thought that there's another book in there somewhere for someone interested in how transport opened up a country that was a subcontinent.

For providing that glimpse as well as for making this book possible I am grateful to many people. I am particularly grateful to the brothers Sivasailam and Krishnamoorthy for the long hours they gave me, our chats often dragging on well after office hours; to S Gopinath Rao, Executive Director, Group Marketing, Amalgamations, and R Balachandran and his team at Rediffusion for their patience in the face of my constant hustling; to all those in and out of Simpsons and the Group, especially several old-timers who shared their memories of men and business with me; the late A A Nair of the now sadly defunct *Madras Mail* who had made a beginning on this story nearly two decades ago; those anonymous authors of old brochures; and, above all, to my family who sacrificed their holidays and much else as I tried to rush through the writing in a month that seemed to have each day quartered by the demands of all my various other concerns and interests.

— S MUTHIAH

Madras
July 5, 1990

Contents

	<i>Page</i>
Two Hundred Years of Madras	1
Coach-Builders, By Appointment	20
Changing Gears: The First Time	34
The Automobile Arrives	45
So Alike, So Different	60
Amalgamating for Transition	85
The Quest for a Car	115
A Revolution in Momentum	137
Conflicts and Conciliations	155
Mushrooming After the Storm	187
Two in Harness, Again and Again	210
From Trauma to Triumph	227
Appendices	
The Simpson Years	243
Bibliography	251
Index	252



Conflicts and Conciliations

The War was over. Independence had followed. And Free India was making plans to emerge from thralldom into the world of sovereign nations where each decided what was best for its citizens.

On the eve of Independence in 1946, the Interim Government at the Centre considered the Industrial Policy for independent India and decided to ban the import into India of consumer and other products. It was decided to protect Indian industries and encourage them to manufacture, in a phased manner and with foreign collaboration on the basis of felt need, the various requirements of the country. Jawaharlal Nehru, a modernist in his thinking, was from the very outset convinced that a better future for the people he led lay in industrialising the country at the fastest pace possible.

The dream of industrialisation seldom left time to consider the problems such a policy was fraught with. Not only was the lack of resources, especially in foreign currency, to prove a major constraint, but, more importantly, the country had insufficient trained personnel. Engineering institutions were few, technical training institutes were not many more. Sophisticated engineering skills and equipment

did not exist and much of the work was supervised by *maistries*, unlettered foremen who had risen to posts of supervisory authority through possessing great natural skills with their hands, loyal years of service and very little else. None of this was a good augury for anyone dreaming of setting up precision engineering industries.

Yet another problem, but one paid little attention to in the first flush of independence, was the changed environment in which both labour and management found themselves. With few traditions of an organised labour movement, not only was labour beginning to feel its power, especially with its leadership acquiring new found positions of authority, but there was always the danger of it equating the liberty of a democracy and an Indian's place in the sun with the freedom of the wild horse and a licence for each to do his own thing. Managements, on the other hand, had descended from a tradition of authoritarianism that pervaded the whole of India. In the world of princes and landowners, in the places of worship, in every home where the paterfamilias's word was law to his joint family, in fact, in all India, the streak of paternal authority was as strong as it could ever be. Three hundred years and more of British rule only added one more, an even sterner, dimension to that authority. That authority was not going to mellow overnight and come to an accommodation with a labour movement just finding its feet and discovering that militancy was not ruled out in labour's struggle just as much as it had not been ruled out in freedom's struggle. And to add to management's — and labour's — problems, it was under tremendous pressure from Government to produce in a race against time — something it had never really faced before.

It was in these circumstances, just as Simpsons was beginning to amalgamate for growth and was laying the foundation for an industrial base in the early Fifties, that labour and management in the nascent Group not only discovered that they were not on the same wavelength but that their different courses only made conflict inevitable. That conflict — to be followed two decades later by a still greater confrontation — has virtually marked the Group for life. Simpsons — or Amalgamations, if you please — has a bad record with labour, is a statement often heard in mercantile and labour circles in India's South. Yet how far from the truth that is!

Few choose to remember that, barring the explosions in the early Fifties and Seventies, the Group has a near impeccable record on the labour and productivity fronts and that neither management nor labour has had any serious grouses against each other in the years in between the two eruptions or the 15 years that followed the trauma of the early Seventies. But no matter how rosy that picture might be, the general public impression is based on those two traumatic experiences that the Group went through nearly two decades apart. Since those two traumas caused such an indelible impression and since that is so far from the truth, it is perhaps best to set the record straight by narrating the history of Simpsons' industrial relations. And, historically speaking, this is the right point in the Simpsons' story to record that history, for it was just about now, as the assembly of cars and diesel engines were getting underway, that the first labour movement build-up reached a crescendo. The story, however, begins almost a decade earlier.

The labour movement in Madras first put down roots in April 1918 with the founding of the Madras Labour Union, mainly to look after the interests of the workers in the three textile mills in north Madras. The founders were Thiruvarur Vi Kalyanasundaram Mudaliar, better known as Thiru Vi Ka, a great reformer, journalist and author, and Bommanji Pestonji Wadia, who was associated with the Theosophical movement. When the Indian Factories Act was amended in the 1920s, the grounds were laid for trade unions in the railway workshops and for rickshawmen, printers and tramwaymen, the Madras Tramwaymen's Union strike in 1953 finally leading to the closure of that early 20th Century lifeline of Madras and demonstrating for the first time in Madras where insatiable demands could lead. With the founders of the labour movement in Madras — and of several of these unions — not very clear in their minds about how trade unionism could be made successful in an atmosphere of strong and aggressive, almost imperial, management, the Communists, who thought they had the answers, began to take over the unions in the Thirties. One of these unions became the Communist Party of India's Madras Automobile Workers' Union, to which some members of Simpsons belonged and at whose behest the workers went on a short and inconclusive strike in April-May 1942. Several old-timers recall that there is a break in their service record for this period, being re-employed after the strike failed.

One outcome of this strike was the formation of The Welfare Union in 1943, which the Management encouraged all employees of Simpsons and its only subsidiary at the time, S R V S, to join. The Communists branded the union a "management union" and worked hard at breaking it. One who remembers those days says that it certainly was a union formed with the blessings of a management which had almost a phobia about outsiders being involved in union activities in Simpsons or any of the companies in the Group. This old-timer states that the management, whatever its feelings about trade unionism at the time, did realise that trade unions would some day have to come, but wanted to make sure that it was a union that it could deal with — which meant no outside leadership — and so fostered The Welfare Union. Its bye-law which undoubtedly most pleased the management was the one which stated that anyone not employed in Simpson & Co was excluded from being a member or an office-bearer of the Union.

It was in 1944 that Simpsons added yet another of its first graduates to its rolls. M V Raghavan was the first graduate to join Simpsons, J V P Rao the second. K Gurumurti, who now joined in the Accounts Department after a stint in Bombay, was one of those early graduate-recruits. A tall, well-built young man, he struck the right Laddenish note when he met Anantharamakrishnan, offering to work a few months till the management determined his worth and paid him something more than the Rs 25 a month M V Venkataraman had offered him. In the event, Gurumurti never got to draw very much of a salary from the Company, at least not in the first decade with it, for he proved to be its stormiest petrel.

Gurumurti, a student Congress activist in the Tanjore District, had been arrested during Congress agitations and, in consideration of his age, had been externed from Madras Presidency and sent to Bombay. He knew most of the local Congress leadership but found most of them in jail when he returned to Madras. However, this was the time they were being released and Gurumurti soon caught up with them.

While the Congress leadership was in jail, the Communists had strengthened their hold on the labour movement in the Presidency and Kamaraj, the Congress leader, now wanted to wrest the movement back. A Labour Wing of the Tamil Nadu Congress Committee

was formed for this purpose and R Venkataraman, now the President of India but then an advocate, a Congressman and a freedom-fighter just released from jail, was appointed member-in-charge by Kamaraj. Venkataraman got down to work in earnest in 1945, aided by a band of Party workers, amongst whom Gurumurti was one of the most active. It wasn't long before the T N C C's Labour Wing had 125 unions under its umbrella.

One of the T N C C Unions was the Commercial Employees Union, whose Mount Road activities were supervised by Gurumurti. When his efforts at enrolling members from Simpsons and S R V S were not as successful as his achievements elsewhere in Mount Road, he felt a different strategy was needed for labour to make its presence felt at Simpsons. With The Welfare Union in place, what better way of making trade unionism stronger than to persuade everyone at Simpsons to join it and then 'hijack' it, so to speak. When all the staff members, including supervisors, petitioned the management stating they wished to join The Welfare Union, a pleased-as-punch management welcomed the move. Gurumurti was elected its President and immediately began to lead it away from the closeness it enjoyed with the management and made it an independent forum. The Union was renamed by its membership on August 20, 1946 as Simpsons Employees Union and then, on April 8, 1948, as Simpsons Staff Union, since only staff were entitled to become members of it.

It was shortly after this that, in May 1948, the Indian National Trade Union Congress was formed, as a national federation of workers, by the leaders of the Congress Party. The question now arose whether unions organised by Congress leaders in their home states should merge their unions with INTUC. This was particularly pertinent in Tamil Nadu, as a Labour Wing did not function in any other state. Kamaraj took the stand that the existing unions affiliated to the T N C C Labour Wing could function as usual, but the INTUC could start new unions, for which there was ample scope, as many workers still remained unorganised. This view did not find favour with the INTUC and, in a compromise formula, it was suggested that Kamaraj, the President of the Tamil Nadu Congress Committee, be made the President of the Tamil Nadu Wing of the INTUC. This was agreed to and Kamaraj was elected as the President of the Tamil Nadu INTUC.

This compromise, however, did not work well. When a Conference of I N T U C was held in January 1951, in Coimbatore, there was dissension and many who spearheaded the T N C C's Labour wing walked out of the meeting. Later, Kamaraj was removed from the State Presidentship of the organisation. At a T N C C labour meeting held on November 19, 1952, presided over by R Venkataraman, a decision was taken to withdraw the local body's affiliation from I N T U C. Unfortunately, some years later, after Venkataraman gave up his position in the labour wing on becoming a State Minister, the labour wing became ineffective and several unions affiliated themselves to national federations. The Simpsons Union, however, remained stubbornly independent for many years.

The idea of remaining independent was because the leadership felt that political affiliations had split unions and broken the unity of the workers, in the process weakening Indian trade unions. The Simpsons Union followed a policy upto the late Sixties that the leaders of the Union and the workers were free to join any party and work for the party, but when it came to matters relating to the workers' problems, political ideology should not be the guiding factor in solving them and the only consideration should be a solution to the satisfaction of both parties. The Union, however, in order to give it dignity and status, sought affiliation, in later years, to the International Metal Workers' Federation headquartered in Geneva, Switzerland. This was granted in March 1971.

To get back to the beginning, however, at the time the Simpsons Staff Union was formed, it simultaneously adopted a new constitution, one of whose bye-laws stated that those not employed by Simpsons could also become honorary members and, in terms of the Trade Union Act of 1926, could occupy upto 50 per cent of Union's executive committee positions. The amendment of the bye-law dearest to the management's heart was a red rag to it when it discovered it on April 27, 1948 at a function held in connection with the unveiling of a portrait of Mahatma Gandhi the Union had wanted in the office premises. It was at this function that Gurumurti, in his Presidential capacity, announced the change and hoped that, as a result of it, the Union would benefit from the guidance of more experienced trade unionists than himself.

Simpsons Staff Union or The Welfare Union, the name made no difference to the management, but the bye-law had to go. And when the Union refused to concede this demand, the trouble at Simpsons began. The almost personal differences between Ladden and Anantharamakrishnan on the one hand and Gurumurti on the other were to last almost seven years. The surprising thing about that troubled period was that only a few days' production was lost in all, though the overtones of violence and bitterness lingered long after the events that triggered them. What is even more surprising is that once a better understanding was reached, all bitterness vanished and the next ten years were a spectacular period of growth for the Company. During that period, and for about five years more, the industrial peace and labour relations at Simpsons should have been a model for the rest of the State but was little recognised as such. The trauma of the late Forties and early Fifties was what most people remembered.

Several actions of the management that the Union considered harassment of its individual workers, the discharge of persons closely associated with the Union, little attention being paid to the demands of the Union, and several other issues aggravated the situation during this period as the Union kept making constant demands, often taking them to the streets in processions, while the management kept flexing its muscles. In these circumstances, Gurumurti felt that he could not pay enough attention to Union matters as well as his duties at Simpsons — which, if he didn't pay attention to, promised to land him in trouble — and invited R Venkataraman to become President of the Union. On July 19, 1948, the future President of India became President of Simpsons Staff Union and a bond that has lasted 42 years, at the time of writing, was forged. Gurumurti became Vice-President. It would not be out of place to surmise that Gurumurti might have given up the presidency because he felt that a new face would probably be able to deal more comfortably with an adamant management.

A few months after this change at Simpsons, the T N C C Labour Wing formed the The Tamil Nadu Automobile Employees Union with Venkataraman as President and Gurumurti as one of the Vice-Presidents. When, before long, it was found that almost

the entire membership of this Union was from Simpsons and its Group companies, the Union became the Simpsons and Group Companies Workers Union on September 23, 1949, Venkataraman remaining as President and Gurumurthi as Vice-President. When staff in the Group companies wanted to follow this lead, of linking up with the staff of Simpsons, the Simpsons and Group Companies Staff Union was formed on October 1, 1951 in place of the Simpsons Staff Union, the leadership, however, remaining the same. Venkataraman remained President of both Unions until he became Industries Minister in the Tamil Nadu Government on April 21, 1957.

The arrival of the cool and collected Venkataraman on the scene in mid-1948 had its own soothing effect on the simmering Simpsons scene in 1948-49. A seasoned advocate who had studied well the labour movements in different parts of the world, he constantly urged that disputes should be argued and settled but without production being affected. He would undoubtedly have also appreciated the management culture which had long existed at Simpsons, a culture which he would have felt would make settlements easier to negotiate.

As early as 1937, Simpsons, on the recommendation of Anantharamakrishnan, introduced a Provident Fund Scheme, recovering 10 per cent from the employees and contributing 10 per cent from the Company. It was paying substantial bonuses and the highest salaries in Madras. Its staff received considerable encouragement by way of promotions — in fact, by the mid-50s, almost all its managers were men who had risen from lowly staff positions and people like S Anantharam, J Sankaran, J V P Rao, R V Nagarajan, A R Venkataraman (no relation to the Union President), K A V Eswaran, H Krishnamoorthy, S S Raghavachari and N Krishnamoorthy among others were to reach some of the topmost positions in the Company, Sankaran, the only non-family director of Simpsons today, following Anantharam to this seat. And from as early as 1950, till May 31, 1963, Anantharamakrishnan used to initial and hand over a Balance Sheet personally to Gurumurthi, an open-hearted gesture no other employer at the time made. Anantharamakrishnan always maintained that the company had nothing to hide from the workers and the bonus could be negotiated on the basis of the Balance Sheet.

But, above all, what would have impressed Venkataraman the most was the relationship everyone at all levels had with Anantharamakrishnan. Every old-timer at Simpsons still remembers the frenetic increase in activity on the shop-floor every morning between 10 and 11.30. That's when J, in immaculate white shirtsleeves and trousers with the natty, colourful bow-tie that was almost his official trademark, would step out from his chamber for his daily round of the shop-floor. It was a round that was memorable for the little chats he would have with workmen and supervisors as he wended his way round the factory. He never forgot a face and if a man was missing he would ask him on his return to work where he'd been. He'd ask about their families. And he'd talk about idle machines and quality and production. Anyone having a problem would approach him at this time — and he'd almost always have a solution, usually one involving the petitioner seeing him after work when J would give him a loan, usually out of his own pocket, to tide him over. To every man on the floor, J was someone approachable and every one of those men was confident that he would get a fair hearing and a helping hand from the boss.

It was this approach of J's that caused him to feel so hurt when the Union sought leadership outside the 'family' and people like Gurmurti began to make formal demands instead of informal requests. There is no doubt that J's paternalistic ways had suffered a severe jolt with the formalisation of a Union that threatened to become militant. Venkataraman sensed all this when he urged adjudication of all problems and demands. The Tribunal's conclusion in 1949 were revealing. It said, amongst other things:

“Before I close, I feel compelled to refer to the esteemable manner in which the enquiry has been conducted by the representatives of the management and the workers. I confess to having initially felt some diffidence at the way in which the fairly complicated enquiry would be conducted by these representatives, in the absence of Counsel. But this diffidence was soon dispelled by the high intelligence, reasoned moderation and warm cordiality displayed by these representatives on the side of both the management and workers alike ... (There was) a recognition that the mutual interest of the management and the workers alike really depend

on a fruitful cooperation with each other... I am quite confident that, if animated by the same spirit, the representatives of the workers would assure themselves that their demands are reasonable and just not allow themselves to be stampeded into initiation of exaggerated and fanciful demands for the sake of cheap and temporary popularity, and the management would, in their turn, honestly and sincerely try to meet all reasonable demands to the greatest extent that is possible, the differences between the workers and the management would, in time, be materially minimized if not wholly eliminated. If that is achieved, there is no doubt that both the management and the workers would equally reap the rich benefits of an increasingly assured prosperity of the concerns as a whole."

The management and the Union decided to take steps to make that hope of the Tribunal a reality in the months that followed. Both realised the serious drawbacks in compulsory adjudication: that the system introduced a spirit of cantankerous, hypertechanical legalism and prevented easy solution; that challenging of an Award in the High Court only aggravated the malady and rendered the parties 'litigation-minded'. Both agreed that, instead of promoting harmony between management and labour, the adjudication method only worsened the discord. If the employer won, labour was likely to become sullen, discontented, disillusioned and show a tendency to go slow and wreak vengeance on the management. If labour won, the management might become vindictive and resort to pinpricks, victimisation and other unfair labour practices. In this context, both also agreed that direct negotiation was the best method to resolve industrial disputes, with both parties agreeing to implement their respective obligations and to strive hard to fulfil the spirit of the agreement and not merely the letter of it.

Based on these principles the management and the Union started negotiations between themselves of the several disputes that were pending between 1949 and 1951. For the first time, discussions were directly between the management's representative and the Union President, Venkataraman. The discussions started on June 30, 1951 and, when negotiations ended, the agreement included, for the first time in the country, a scheme for the payment of gratuity!

That historic first meeting had commenced at 3.00 p m, what Venkataraman had previously described to Ladden as “the lucky hour for the day”.

Eventually the agreement covered Simpsons, George Oakes, Addisons, Associated Printers, Addisons Paints & Chemicals and India Pistons. It was specifically understood between the parties that the benefits of the agreement would be extended to other companies of the Group, including the Branches, as and when the employees joined the Union. The agreement concluded with both parties agreeing that “all differences should be discussed between Mr W W Ladden and Mr R Venkataraman in the first instance before resorting to any statutory or other remedies”.

In that last paragraph lay the seeds for almost immediate discord. Ladden and Venkataraman had agreed — on Ladden’s insistence — to talk everything out with each other because they had both struck the right note with each other. Ladden may have been the type to speak his mind, but Venkataraman was as forthright, only he was more suave about it; he could be as incisive and as outspoken as Ladden, as a letter some time later indicated, when he stated bluntly, “This correspondence will now cease”! Recognising similar qualities in each other, including an innate gentle gentlemanliness, they soon established a warm personal rapport based on mutual understanding.

With Ladden away in England much of the time that followed and Venkataraman being elected to Parliament, much of what became almost a daily settlement of problems devolved on Anantharamakrishnan and Gurumurti. They may not have forgiven each other — certainly this was the only occasion ever when J was unforgiving — and they may have been very proper with each other, but they were prepared to negotiate all issues in the interests of the organisation, showing a rare understanding of what was involved. Among the things they agreed on was a unique leave accumulation accord and an enlightened retirement policy.

Under the first, any leave over the ten days’ compulsory leave a year, if not utilised in that year, could be credited in a bank account for a needy day. When such a day arose and excess leave was taken, the employee on no-pay leave would be paid from the money lying to his credit in the unutilised leave account. This agreement dissuaded the employees from taking leave merely to avoid the leave lapsing and thus encouraged better attendance.

As for retirement, an age limit — 60 — was set for the first time, but simultaneously it was agreed that employment would be provided to a son or dependant “to support the retired worker and his family in retirement”.

The goodwill that existed on both sides during this calm before the storm was manifested in the speeches made at the Union’s annual conference held in August 1952 at the Congress Grounds. Addressing the Conference, V V Giri, Minister of Labour, Government of India, one of the early stalwarts of the Indian trade union movement and later to be President of India, hoped that managements and unions throughout India would emulate the example set by Anantharamakrishnan and Venkataraman.

Responding to these remarks, Venkataraman, in his Presidential address, expressed the view that “real trade unionism should develop in both employers and employees a keen desire to preserve peace in industry”. He added, “While bipartite agreements between employers and workers are welcome, they would only be possible if managements recognised the right of workers to form unions and their right to strike as the last weapon to achieve their demands”. He appealed to employers to resort to retrenchment as the very last resort and only in cases where it was inevitable.

The conference, however, really came alive when Anantharamakrishnan spoke. Amidst loud cheers he expressed his surprise at the delay in the remaining 250 employees of the Group Companies becoming members of the Union; “there should be one hundred per cent membership!” He also felt that a strong trade union would prove helpful to both workers and management alike. He assured the Union bipartite negotiations for settlement of all problems and promised that he would not, at any cost, seek intervention by third parties.

He took this opportunity to also assure the Union that he would protect the employees’ right to employment as much as possible. If a Company had surplus labour, he would see that such surplus workers were absorbed in suitable positions in companies which needed more workers. He would also follow the principle of giving opportunities to existing employees for promotion, either in the company where they were employed or in newly established companies; fresh recruitments to higher posts would be made only after the talents in the companies had been explored and exhausted.

Ladden, however, did not attend this Conference. He wrote to Gurumurti, explaining his reasons: "Election time is... approaching fast and much of what is being said, done and written is being given a political importance which would not in more normal times be attached to either speeches or words or deeds. As a group we are entirely non-political and I hope we shall always remain so." Ladden did not want the slightest political tinge to be attached to Simpsons or Amalgamations.

But while declining the 'cordial invitation', he took the opportunity to convey his views to the Conference. He wrote: "The meeting on the 30th June was not, in its first stages, by any means an easy meeting, for much of what had gone before, especially one or two very recent incidents, appeared to have made further negotiations practically impossible. I stress this point because in Industrial Relations it is the small incidents and personal feelings that seem so very often to lead to disruption and disagreement. You are exceedingly fortunate in having as your President Mr R Venkataraman. Without his wide outlook I am afraid the agreement which has now been reached would not have been possible, for we would have found ourselves struggling with details, important as details no doubt, but unimportant as fundamentals.

"By the agreement... all of us, and I use the word 'us' deliberately as it means everyone in the organisation, have taken on new responsibilities to work and produce... My message to you today is this: We have started a new era; let each of us search our own hearts honestly at the end of each day and work hard for that day to come when we can all honestly say 'I have done a good day's work and have done nothing that I would not have had done to me'. That is the way progress is achieved, that is the way we can raise the standard of living generally in India, that is the way we can make our contribution to this great country of India, and that is the way to our own individual salvation."

The Union Conference of 1952 was the last quiet moment before the storms that swept the Company and lasted till 1955. There were several isolated incidents that led to the eventual eruption and loss of trust.

The beginnings of the storm lay in the attitude of a senior British executive to Indian labour. His quick temper did not help matters.

He kicked one worker, almost beat another, before he was physically stopped. Representatives of the Union were abused and harassed. Simmering resentment blew up in October 1952 when a Gurkha watchman was slapped by this officer. A threatened walk-out was nipped by the Union leadership, but the executive in question refused to meet the Union to discuss the matter. The management too paid little attention to these goings-on.

Eventually, the Union filed a private complaint before the Presidency Magistrate and the assault case came up for trial. That was when Ladden called Gurumurti and suggested the Union accept the written apology he had got from the executive rather than continue with the criminal proceedings which could only further sour the management-labour relationship. The Union agreed and withdrew the case, but what had happened rankled.

This particular problem may have been resolved, but many other problems remained without solution, Venkataraman and the management unable to see eye to eye on them. It was at this juncture, late in 1952, that the management announced a lay-off in the body-building section. This almost set off a strike, but it was averted at the last minute. However, a strike was announced for January 8, 1953 as several other problems still remained unresolved.

A last-minute offer of the management's willingness to negotiate averted this strike too. But the negotiations dragged on, to the chagrin of the workers. The management appeared to be almost buying trouble, and this seemed even more likely when it announced the closure of the Morris Minor assembly operation at Addisons, pleading exhaustion of C K D kits. An agitated labour became still more agitated when it suspected that the closure of the assembly operation from May 1, 1953 was a ruse to avoid paying lay-off compensation.

The Union was aroused and ready to strike. But once again Venkataraman soothed the membership and advocated referring the Addisons dispute to the Commissioner of Labour for conciliation.

While a settlement in this dispute was pending, another issue cropped up. The Union, in line with Anantharamakrishnan's invitation to it to secure total membership from the companies in the Group, had brought into its fold the 11 companies and all their branches, bar one. The hold-out was S R V S, Kumbakonam.

Despite Anantharamakrishnan's advice to the workers to join one union, despite his endorsement of Gurumurti's letter to S R V S on this issue, despite several workers and staff in Kumbakonam wanting to join the Simpsons Union, the employees of the Kumbakonam branch of S R V S were not allowed to join the Union. This was only to be expected.

S R V S, Kumbakonam, was at the time being managed by S Arogyaswami. Once a rival bus conductor who had, in the days when loud persuasion was needed at bus stands, successfully filled buses, Arogyaswami had been brought into the S R V S fold by Anantharamakrishnan to do exactly what he had done for S R V S's chief rival in Kumbakonam. The success he made of filling S R V S buses with passengers led to his receiving not only J's total backing but rapid promotion as well. A tough, no-nonsense leader whose methods were not the most refined, he won J's respect — a rather curious happenstance, for J was not only soft-spoken and refined, but he also shunned anything which might be considered questionable. In this instance, it appeared that he was more interested in results than Arogyaswami's methods, so he gave him a free hand.

Given this free hand, and backed by Anantharamakrishnan's refusal to further endorse Gurumurti's plans to enrol the Kumbakonam employees, Arogyaswami told his workers that their Welfare Union would be the only union allowed to exist in the Kumbakonam branch and anyone who didn't like the idea would have to face the consequences. Those consequences resulted in several Kumbakonam workers being beaten up and Natesa Pillai, a driver and their organiser, dismissed.

The Union referred the Kumbakonam state of affairs to the conciliation authority in Madras in May 1953. But even as conciliation proceedings began, there were disturbances once again on the Company's campus. It was during these troubled days in June 1953 that Gurumurti, after visiting Thanjavur with Kamaraj for a wedding, went to Tiruchirappalli. There he was accosted near the station and assaulted by a person wearing a brass knuckle-duster. The assault cost Gurumurti his left eye.

The news of the assault triggered walk-outs in all the Simpsons Group factories and branches on June 27, 1953. But after brief stoppages, work resumed. The next month or so found

the management taking on the Union head-on. Union office-bearers were transferred, suspended or dismissed. The Sembiam Saw Mills was closed. And Union picketing was met with criminal proceedings being initiated in the Presidency Magistrate's Court. The Union gave 14 days' notice of its intention to strike and, accordingly, struck work on July 27, 1953.

The persuasive Venkataraman met the management three times before the strike and failed to reach an agreement on any of the points. The management, the Union later alleged, took the view that "we've had two years of peace, let's have two years of war, if that is what is really necessary". But a Government keen on industrial production was not about to let that happen and Chief Minister C Rajagopalachari, back in the state after having been India's first Indian Governor-General, followed up a request to the Union to return to work with the appointment of a Special Industrial Tribunal to go into all matters under dispute. Justice E E Mack, I C S, a Judge of the Madras High Court, was named to conduct the Tribunal proceedings.

The appointment of the Tribunal did not lead to a diminishing of hostilities. The management made several applications for the lay-off, retrenchment, dismissal and suspension of large numbers of employees, including several Union office-bearers. It sought permission to discharge all the office-bearers of the Simpsons Union. Gurusurti was transferred again — and was told he would be held wholly responsible for all acts of sabotage! The Union fought back, appeals to the Tribunal and local protest meetings the least of its challenges to authority.

With the management refusing to appear with the active Union office-bearers before the Tribunal, the proceedings were delayed until the Union President R Venkataraman returned from abroad. Within a couple of weeks of his return, agreement was reached and it was signed on January 19, 1954. Under the agreement, Union Vice-President Gurusurti and Secretary A V Srinivasan would be excluded from all Management-Union discussions. Venkataraman would handle all matters — even though he was not on the spot. In these circumstances, it was impossible for the agreement to last, no matter how fair the Tribunal's rulings.

With Venkataraman now informing the management that he no longer could devote as much time to individual problems of companies, the situation became more difficult. Ladden was insistent that he and the rest of Simpsons' management would deal only with Venkataraman. And the Union President wanted the Vice-President to deal with every-day matters. Ladden and Venkataraman kept exchanging letters through the whole of the first half of 1954 on this issue until, in September 1954, Venkataraman threw up his hands in exasperation and wrote, "This correspondence will now cease". A unilateral bonus declaration by the management to the employees of Simpson & Co alone now aggravated matters further and another Tribunal became necessary. Gurumurti and six office bearers of the Union were also charge-sheeted for stabbing a worker on the premises of Simpsons. And the management refused to deduct the dues to the Co-operative Society from the workers' wages. A strike that would not be merely a two-day one appeared to be imminent.

This is when a most curious meeting was arranged by the State Government to bring about a settlement. It arranged a meeting of all parties involved in this sorry situation with T T Krishnamachari, Union Minister of Industries and Commerce, during a visit of his to Madras on December 29, 1954. The meeting is described as curious because T T K's equation with Anantharamakrishnan was never the best. Whereas all Tamil Nadu industrialists met T T K at every opportunity, Anantharamakrishnan always kept himself aloof. He would not even, for a long time, appoint a representative in Delhi who could strike the right note with the intellectual but acerbic Industries Minister. I felt that going through the right channels was all that was needed to succeed in business, that personal representations were something out of the way and should therefore be avoided. As Gurumurti recalls it, whenever T T K arrived in Madras, the only Simpson representative at the airport to receive him was the Vice-President of the Union, a person who stuck out like a sore thumb amidst the army of captains of industry who had gathered on the tarmac!

Outside observers saw little prospect of a successful resolution emerging from this meeting. They were in for a surprise. And to this day no one really understands how the entire scenario changed drastically.

T T K began, true to form, accusing J of "running a parallel government". He then laid down the law; both sides had better find a way of getting together, or there would be no more licences — he couldn't let them stall the country's transport industry any longer. He must then have been more persuasive, for Anantharama-krishnan changed almost immediately. This change of heart and all that had preceded it from 1951 is the most mysterious part of J's life. A man almost revered by the workers, his turnabout in his attitude to them is understandable in the context of his belief that he had always done his best for them and in their interest and they had now bitten the hand that had fed them. This paternalistic attitude, much of it Indian but with a strong overlay of the British influence of the period, was as wrong for the time, when a whole new industrial culture was emerging, as labour's confrontational attitude to management. Both attitudes demonstrated a lack of understanding of a changing situation where the worker was finding his place in the sun of the new and emerging industrial India.

J's attitudes may have been wrong at the time, but his heart had always been in the right place. What strange aberration caused what amounted to almost a hatred of Gurusurti, to the extent that he never even visited an employee — and a man he had known for years — who had his eye irrevocably damaged? That was most unlike J or anything else he did before or after. Looking back on it all, it might be easy to forgive and forget, but at the time it would have seemed almost like a total change of personality. An Arogyaswami behaving as he did, was understandable. No matter how golden his heart was, no matter how many he had personally recruited, no matter that he gave employment to even those he had injured, Arogyaswami was a man to whom violence was second nature and a person who demanded instant and unquestioning obedience from everyone he employed. But that was not J's way. He abhorred violence. Anyone could talk to him and say what he pleased while disagreeing with him or making counter-suggestions, provided they behaved as well as he did. What then made him change into a man who could almost be described as hard-hearted? Certainly there was provocation, but equally certainly not enough to warrant a lack of concern for a badly injured person. A long moment of aberration in a man who had almost lost faith

and who saw his dreams beginning to recede, a man who saw Ladden's admonishments over pouring money into industrial expansion almost come true — that could well be the only possible explanation for what happened till that day at the end of 1954.

Equally mysterious is the almost overnight change in the man. What would have caused that to happen? Could it have been T T K's gospelling? T T K too was a man with a dream. His dream was to make India one of the world's most industrialised countries and in that dream, like Nehru's identical one, he saw a prosperous future emerging for India's millions. T T K was also a persuasive speaker and a clever debater whenever he felt like dispensing with withering comment and acidic wit. Could it be that listening to him argue the case and conclude that a dream was in danger of being lost caused J to change his mind and heart? Or did J later think it all over in the still of the night and dream great dreams again of a magnificent Indian future?

J is no longer with us to answer that 64 million rupee question and we can only speculate. But it would seem obvious from all that happened subsequently that he decided that if you can't defeat them, then the best way to make progress would be to get along with them. And that's what he went all out to do from the first day of 1955. That decision was his wisest, for, the next eight years till his untimely death saw the Simpsons Group grow as never before. It became a 28-company Group during this period, the biggest engineering Group in the South.

The beginning of that period of magnificent prosperity started with J inviting Gurumurti for their first official meeting in months. When he asked Gurumurti to sit, the Union Vice-President was taken aback; he had always stood in J's presence in the past and now he said he would be comfortable at the meeting only if he continued doing what he was used to. Then J stood up and said that they might as well both stand and discuss matters. In which case, Sir, let's sit down, Gurumurti said, and a new era at Simpsons began. By January 1, 1955 a new settlement had been arrived at. One feature of this accord was the unofficial understanding that no one would be dismissed without reference to J. Given J's soft-heartedness, it was going to prove difficult to dismiss anyone, whatever the provocation.

How J's new policy of seeking the goodwill and the cooperation of the workers to ensure the growth of the organisation and its success paid off is reflected in the proceedings of the Annual Conferences of the Union held in 1955 and 1961.

When the Union Building was declared open on July 5, 1955 by V V Giri, the former Union Minister for Labour congratulated the workers on getting a building of their own. Later that day, T T K, inaugurating the conference, expressed his happiness at both the Union and the management taking his advice and establishing cordial and good relations between themselves. They by now would have realised, he was confident, that the best method of resolving disputes and differences between workers and management is direct discussion and negotiation between the parties.

After R Venkataraman and Anantharamakrishnan thanked T T K for his efforts in resolving Simpsons' problems and for providing the necessary motivation for direct discussion and settlement, Anantharamakrishnan added that, with industrial peace through negotiations assured, he hoped to expand the existing industries and start new ones.

When the Union Building extensions were opened on April 13, 1961, T T K, no longer a minister, was once again present. Inaugurating the Annual Conference and opening the extension, he expressed his pleasure that the expansion had been solely by the efforts of the members and no contractor was involved. He did not refer to his earlier contribution but, R Venkataraman, Tamil Nadu Minister for Industries at that time, made oblique reference to it when he stated that bipartite negotiations were always the best. Both employers and employees must realise that the best solution to their problems is direct negotiation and settlement, he emphasised.

He also stated that salvation for the starving millions in the country lay only in industrialising the country. In this national task, both the employers and employees had a role to play. If the employers expanded existing industries and came forward to start new industries, and the workers worked with zeal and enthusiasm and performed in an efficient manner to increase productivity, both would be doing a great service to the nation.

Anantharamkrishnan picked up his cue and, after recalling that T T K was responsible for the growth of industries in the country, said if both industries and workers were to progress, the workers should help industries to increase their productivity and reduce the waste.

Over and over again during this golden period Anantharama-krishnan was to speak of the relationship between industry, management, labour AND productivity. These were not necessarily new ideas, but they were expressed by a man who had not expressed them as openly in the years before 1955. The following selection of the things he said on these matters during this period reveals a man who was looking at industrial growth with new eyes.

In 1949, he had looked at these issues in these words:

“The industrialist is now faced with three main problems, and unless these problems are tackled by our Government with firmness and a certain measure of urgency, the whole industrial future of the country will be marred. The first problem is the uncertainty of the policy of the Government and the consequent shyness of capital. The second is the Government’s attitude towards labour in general, and the tendency to encourage uneconomical demands of labour at the cost of industry. The third problem springs from the ease and rapidity with which various pieces of legislation are being placed on the statute book.”

And then in 1953, during a troubled period, J had expressed his thoughts on these issues so:

“We want a well organised trade union... who will not make use of the union for political purposes or personal aggrandisement of the office bearers... What we want is a trade union dissociated from political adventures... We have appealed to the Government several times... to see that the Union officials do not misuse the Union for political purposes... Cabinet Ministers were reluctant to take any strong action lest they estrange a large body of voters...”

“As an industrialist I have tried personally to avoid politics of any kind. We have tried to run our industry without political support or political interference....”

“I value my conscience a little more than other persons do.”
(This last in answer to a question about why he did “not obtain political support”.)

But after the trauma of the early Fifties, J began looking at the same issues in a new light and in these words:

“Amalgamations’ (growth) has been possible during the last 20 or 25 years by following strictly two or three basic principles. The first and foremost was that there shall be no discrimination against or preference for any caste or community or race. The most suitable man gets the job and retains it if he can.

“The second point is that industrial advancement in management could be achieved only if we give predominance to the basic thing – the largest employment to the largest number of people in the State. The profit motive comes secondary to that. We chose industries which will give a large amount of employment potential to the various people in the State...

“The third principle which we have been following is to plough back as much of the profit that is made in the companies for the expansion of the activities of the Group.”

* * *

“In the very nature of the relations between management and labour there was bound to be some difference of opinion on occasions... But it was wrong to think of management and labour as two sides embattled against each other all the time.

“Peace in industry is the most essential thing in order to achieve national prosperity... The industrialists should make some sacrifice of their interests in order to achieve peace in industry... I will sacrifice a lot of my interests to achieve industrial peace.”

* * *

“The essential factor of the successful and efficient running of industries was they must have a contented labour.”

* * *

“I would prefer settlement of disputes by negotiation or mediation.”

* * *

“In an underdeveloped country like ours, unless workers receive some increase in money wages from time to time, it will be difficult to convince them that they are, in fact, sharing the benefits of higher productivity.

“Where business is dull... the first thing done was to effect retrenchment. This was a wrong policy. The industrialist has a responsibility towards labour, and retrenchment should not be resorted to... They must build up some fund in the industry to avoid retrenchment and both labour and management might make contributions to it.”

* * *

“...it would be in the interest of management, labour and the consumer, that labour be given a bigger responsibility.”

* * *

“The time had come when they should evolve some workable method for participation of labour in management of industry ...I have full faith in the reasonableness of labour as long as the management takes labour into confidence... There should be this new approach in regard to capital-labour relations in free India.”

The one thing he did not change his mind on was labour leadership. As late as 1961 he was saying:

“...trade union leadership should spring from within the industry, from among employees who have a fair understanding of factory floor know-how, atmosphere and conditions.”

When Anantharamakrishnan died, his successor, M V Venkataraman, followed in his footsteps in dealing with labour. Fortunately for all, J and V as well as R Venkataraman and Gurusurti were one on the issue of productivity. Nothing should be done to break the activities relating to production, as such action would be suicidal to both management and workers, they all agreed on.

In fact, the thinking on this one issue was such that when the National Productivity Council was formed early in 1958, both Anantharamakrishnan and Gurumurthi were among the founding fathers of the Madras chapter, J agreeing to be its first Chairman on Gurumurthi's persuasion. The first office of the chapter was in Simpsons and, in time, this chapter of an organisation that was comprised of employers', workers' and Government representatives wedded to productivity became one of the most active in the country, its membership growing from 170 to well over 500 in the first five years.

These views on productivity had been shared by the four for long and, even before the Productivity Council, they came together on this issue when Simpsons was chosen as the first company in the South to participate in the Central Government-sponsored experiment of Joint Management Councils, almost the equivalent of workers' participation in management being talked of today. The Joint Council was inaugurated on October 10, 1957 with equal representatives of workers and management. One of the concrete results of this Council at Simpsons, where shop-floor problems and productivity were mainly discussed, was that three-shift production was given in two shifts. The surplus workers from the abolished third shift at Simpsons were transferred to other sections that needed strengthening.

The most important indicator of productivity-consciousness, however, was when Simpsons and the Union agreed on an incentive scheme based on production in 1959. This was one of the earliest incentive-for-production-beyond-norm schemes to be introduced in the South. In fixing the norms, it was appreciated that incentive schemes had to be conditioned by market needs and other important factors and, as these would vary, they needed to be adjusted from time to time. It was also recognised that indirect labour, staff, etc had a contribution to make towards productivity and that they too needed to be involved in the scheme.

Out of all this, there developed a working harmony born of the belief that both unions and managements were necessary and both needed each other and needed to recognise each other. The Union gradually came to recognise the necessity of the Company to operate at a profit and that its membership had a role to play in this by cooperating in the efficient running of the business.

This could only succeed if both kept their communication lines open and adopted the problem-solving, human approach to all differences. That approach led to many a satisfying settlement in record time at Simpsons during this period. On one occasion, Gurmurti and J agreed on a bonus in five minutes — six months being paid after a two months' offer and a nine months' demand were narrowed down. And this at a time when J was settling bonuses three years at a time! On another occasion, 195 of 200 disputes were solved in two days after J had been away in the U K for some time and the other five were left to conciliation.

It was during this period too that several Union-sponsored welfare activities for the benefit of the workers were introduced, most of them pioneering ventures in the South, and all of them with the full support of the management. A Simpson Group Companies Employees Co-operative Credit Society was inaugurated by the Union President R Venkataraman on January 26, 1952. Besides becoming a Fair Price Shop, the Society also introduced hire-purchase schemes for consumer durables. A Building Society developed housing for workers in a small way in 1958 in the Pallavaram area. But an Industrial Housing Society started in December 1960 was what proved a model, developing 16 acres of land near Sembiam. The colony, named R V Nagar, was opened on January 20, 1964 and comprised of 242 two-room tenements. A Labour Welfare Fund followed. And in January 1967, there was opened in Bangalore the first Janatha Bazaar in the country sponsored by an employees' cooperative society. The four-storey building, that the co-operative society formed by the Bangalore branch of the Union built, was named *Gurumurti Bhavan* when it was opened in October 1968.

Management also made a substantial contribution to labour welfare during this period, going out of its way to provide many facilities. Much of this came through the efforts of an American, Mrs Marie Buck, whose husband had founded the Y M C A College of Physical Education in Madras. She helped to create the medical centre, other welfare facilities (including a family planning advisory centre) and drew up housing and farm plans.

Marie Buck was also responsible for conceiving one of the most grandiose welfare measures in Indian industrial history.

That it did not materialise was not her fault. But it was such a far-sighted scheme that United Nations experts were commissioned in the early Fifties to look into it. One of these experts, Robert Alexander, wrote that, from 1946, Amalgamations had "established a policy of limiting dividends to stockholders and applying the balance of net income to the welfare of its employees and to the expansion of industry for the creation of additional jobs. Pursuant to this policy he wrote, the Company adopted in 1947 several recommendations of its Welfare Director, Mrs Marie Buck, who joined the Group the previous year.

The gist of her recommendations was the establishment of a well-structured satellite township and the development of farms for the Group's employees in the "3,700 acres of waste (Poromboke) land adjoining the city limits and extending ten miles south of the City of Madras, known as the Pallikkarnai Swamp". In September that year, the Company sought possession of this swamp near the coast from the Government of Madras. About a year later, while these negotiations were still going on, it purchased a neighbouring farm that had been long barren. It was to this farm that Mrs Buck moved on January 1, 1949, and "proceeded to develop a spectacular demonstration of land reclamation and diversified food production".

Marie Buck envisaged a village of 5,000 families at Pallikkarnai and a population of 25-30,000. They would have all public utilities, educational, health and market facilities, places of worship, ample housing and would be helped to develop farms, sea industries and light industries after the land had been reclaimed. The U N report examined all these aspects and made detailed recommendations. But in the end, little came of almost two years of study.

The farm Marie Buck lived on and which she made yield, however, became J Farm, more of which anon. Pallikkarnai Swamp, however, still remains a salty marsh awaiting reclamation. Simpsons' 150th birthday could well be the occasion to look at this welfare project all over again. There's a rather detailed report waiting to be implemented.

Over fifteen years of peace and progress followed the settlements of the mid-Fifties. Anantharamakrishnan was at the helm for almost two-thirds of this period and was followed by M V Venkatraman. Anantharamakrishnan's elder son, who joined the board in 1964,

took over the Company only on V's retirement in 1971, just as the second tempest began blowing. That tempest, which grew into the most turbulent period in the entire history of the Group, had its genesis in the social revolution that had taken place in Tamil Nadu in the latter part of the Sixties and the change in the political scenario that followed.

Regionalism came to Tamil Nadu politics as far back as 1916 when the Justice Party was founded. It was to become the first regional party to defeat Congress in pre-Independence India. It wasn't very much after this that a social reform movement was founded by E V Ramaswami Naicker. His Self Respect Movement espoused social reform, especially in matters of caste, class and gender as much as it advocated agnosticism, anti-ritualism and rationalism. When Periyar joined hands with the Justice Party in the 1930s, one who followed in his footsteps was a young man who hero-worshipped him, C N Annadurai.

In 1944, Periyar and Annadurai parted ways with the Justice Party and founded the Dravida Kazhagam, a party dedicated to the upliftment of the Tamil people and their language but not forsaking the anti-religious stance of the Self Respect Movement. Differences between Periyar and Annadurai led to Annadurai quitting the Party and forming, with his followers, the Dravida Munnetra Kazhagam, Progressiveness its middle name.

The D M K, now no longer talking secession but strong on Tamil revivalism within the framework of the Indian Union, surprised everyone in March 1967 by sweeping the polls and becoming the first regional party to oust the Congress from a State Assembly. The victory was described as a "revolution by the ballot". Certainly it gave the man in the street and the field a place in the sun by placing in the corridors of power, leaders closer to them than those whom it described, by and large, as elitists and not representative of the people.

Whatever the validity of those assessments, there was no getting away from the fact that the D M K's victory was a triumph for grassroots politics and that, as a consequence, the expectations of its supporters would be high. It was partly to fulfil those expectations that the Party began to eye the labour movement which, in India, had, by and large, been dominated by the national political parties — the Congress and the two wings of the Communist movement.

Annadurai himself did not consider urban industrial labour one of his top priorities; he felt a political party had much greater priorities and these included spending more time to alleviate the lot of the masses than on helping out the comparatively privileged but small group that was industrial labour, no matter how much visibility it gave the Party. He was content to leave well enough alone for the time being on the trade union scene in urban Tamil Nadu.

Among the union leaders in Madras, Annadurai knew Gurumurti quite well. In the General Election of 1967, they had contested against each other in the prestigious South Madras central parliamentary constituency, an unwilling Gurumurti having been 'persuaded' by Congress to challenge the people's favourite, Annadurai, whom no one else wanted to contest. Gurumurti surprised everyone, including himself, by losing by only 52,000 votes, the smallest margin by which any Congressman lost in the state in that traumatic election that first indicated that the winds of change were blowing in the country and that Congress no longer could consider the nation its fiefdom. Annadurai himself visited Gurumurti to congratulate him on his performance and splendidly organised campaign.

Less than two years later, Annadurai suddenly died leaving his mass-following totally bereft. Muthuvel Karunanidhi, long a follower of Annadurai, was elected Chief Minister. Taking a cue from the narrow margin of his leader's victory in an urban contest, he felt that the industrial proletariat should be wooed by the Party and offered its umbrella. A strong urban base for a grassroots party would follow, he was convinced — and time proved him right. And so, with his blessings, the labour wing of the D M K was born in 1969. Almost immediately it began wooing the unions in several industries.

One of those unions was the 18,000-strong Simpsons Union. The challenge the situation posed virtually forced Gurumurti to take a bonus issue in procession to the streets. But the challenge to his authority continued. The intensity of the struggle was such that Gurumurti decided to call it a day in May 1971, resigning from both Union and Simpsons. The first *formal* agreement the management had signed till that time was initialled soon after with Kaattur Gopal, the President of the now D M K-led Simpsons Union. Before Gurumurti left, he disbursed, by crossed cheque, to every member of the Union his share of the Rs 1,800,000 lying in the Union Fund.

With the D M K in power at Simpsons and the state, and an agreement sealed, signed and operative, things should have quietened down and production should have picked up. But that was not to be. What started in 1971 as a troubled and uncomfortable working atmosphere became sheer hell for the next two years, recalls J's second son, Krishnamoorthy, who handled the labour portfolio from the time he joined the Board in 1971.

The late Sixties was the time when Kuchelar, a lawyer with Communist sympathies and trade union ambitions, began making a bid for — and succeeding with — most of the big Madras industrial units. One of the few unions he could not capture was Simpsons. When the D M K captured the Union, and its leadership signed an agreement, that many felt favoured the management, he responded to the appeals of those unhappy with the agreement and agreed to take another look at this Union. When the Union's leadership refused to give up without a fight, there began one of the longest and bloodiest battles in Madras trade union history, a confrontation that the Simpsons management has still not really lived down, though it had little to do with it all. Its only contribution to this struggle for power was to, at one time, close ALL its factories down, instead of closing one for a while after an incident, then opening it, closing down another after another incident and reopening after a few days and so on. "There were 20...50...more closures.... I don't remember how many. But it just could not go on," Krishnamoorthy says. In fact, with every closure, the inter-union rivalry was being forgotten and the management was being made the common enemy. So, it was decided to close all the Group's factories in the city — and they remained closed for THREE months! Thereafter it was decided to move some of them out of Madras, because most of the labour found living conditions around the factories intolerable and getting to a work a nightmare. Three of them were moved to places 400 miles away in three days!

If that lock-out had not lasted as long as it did, the numbers killed would have been far more than the Union Vice-President who was killed at Sembiam, and the injured would have run into figures unbelievable, says R Viswanathan, now Vice-President, Group Industrial Relations. Many a manager had to run for his life,

others fled, climbing over walls; still others had to spend days at a stretch in the factories — but, to their credit, few quit. As for equipment and buildings, we might have had nothing to start all over again with, he adds; as it was, the losses were enormous, in crores — “we paid a heavy price and it took us years to recover,” he emphasises. But perhaps the biggest effect this period had was on other industries; much of the automobile sector in India also had to go through a bad time because of Simpsons’ woes. That’s the publicity Simpsons has still not really lived down.

During these troubled days, Government help in dealing with law and order and the actions it took in respect of other matters went a long way towards bringing a dangerous situation under control. Government showed a deep appreciation of the causes of the labour problems of the early 70s by the actions it took.

Much of the problems of 1971-72 arose out of the political situation in the country too. Just as Karunanidhi was beginning to settle down, his Government was dismissed, in January 1971, by the Centre. The dismissal gave the charismatic Kuchelar his chance to make a bid for power. But he hadn’t counted on the D M K being swept back into power within months. Committed to the struggle, however, he pushed on undaunted. The Emergency declared because of the Indo-Pakistan War that led to the birth of Bangladesh, a murder charge against him, the destruction of property, workers and their families in travail, the loss of production, the fact that several companies all over the country were affected by the Simpsons Group’s inability to supply the ancillary equipment they needed, nothing daunted Kuchelar. He would almost daily negotiate with Krishnamoorthy, then rush to court for the hearing in the case in which he was charged with the murder of a Simpsons Union official (he was later acquitted). This was when he gained his reputation as being the most difficult and toughest labour leader in the country. There was even a time later when the Kuchelar-led workers of Simpsons defied a personal appeal by Chief Minister M G Ramachandran! Krishnamoorthy, however, says, “Whatever the general perceptions, we were able to negotiate with him quite successfully.” In fact, adds Krishnamoorthy, Gurumurti was more difficult to deal with; “he knew the Company better than I did, having been with it almost from the time I was born!”

What Krishnamoorthy is obliquely referring to is the solid gains that emerged from the two years of strife on an industrial campus that resembled a battlefield, so numerous were the armed policemen in their hundreds keeping an eye that abuse and threats, intimidation, prevention of work and attacks on property did not become anything more serious. Those gains were what enabled the Group to emerge from ten years of uncertainty and strife into the last 15 years of growth and prosperity.

Productivity incentives had long been a part of Simpsons' culture. But now, in a more competitive era in fast growing markets, productivity needed to be stepped up many fold. The first gain of the troubled Seventies was the acceptance of the stress the management laid on productivity. The second gain was connected with the first; all equipment should be better utilised to ensure greater productivity. And to make this possible, better lines of communication came into being, Krishnamoorthy making himself accessible to all. In addition, safety meetings, quality meetings, general meetings, celebratory events were and still are participated in by management, and these platforms were and are used for communication. Financial information was also not hidden. The result has been the tranquillity and achievements of the Eighties. And five-year agreements!

That first traumatic experience in the Fifties had been a learning process. Management became conscious of the need of an articulate trade union and it lost a lot of its paternalistic, authoritarian attitudes that the spill-over from the Imperial age, local social traditions and docile unionism had encouraged. Labour, on the other hand, had to also learn that it had to show greater responsibility and earn through production what it demanded. The greater trauma of the early Seventies took the second lesson further. The productive contribution of labour would have to be even greater for any industry to even survive in a competitive environment. In such an environment, unconscionable demands had no place; equally, communication and rapport with management should be so good that labour would realise that any money held back from it was being used only for investment in growth.

Making the learning exercise easier after Kuchelar had generally gone along with the agreement signed with Kaattur Gopal was the re-entry of Gurumurti on the Simpsons labour scene.

Workers who had thought that he was getting too management-oriented — J even used to describe him as my ‘General Manager, Personnel’, though this was really a reference to Gurumurti’s knowledge of everything that went on in the Group, whether it concerned production by the workers or money earned by the Group which would become available to the workforce — and had not heeded him in 1971 and had been less responsive to him from 1968, now wanted him back in 1977. He was re-elected every year till 1984, but thereafter the workers have switched allegiances every year. Among those elected have been such left-wing C I T U stalwarts as V P Chinthan and, at present, Varadarajan. Gurumurti and Kuchelar also made brief returns to the Simpsons scene. All of them, however, realise, somewhere deep down there, that the Battle of 1971/72 clearly established that Simpsons itself was completely apolitical, while the battle that had been fought at that time had been aggravated by the political situation that then existed. Kuchelar had swum in those troubled waters at the time, but he, like others, learned that the Company was not interested in the political shade of its trade union. Even though political affiliations were something it never favoured, management was prepared to live with them, provided it got what it wanted — and that was productivity. Productivity was all it was concerned with — and still remains the cornerstone on which Simpsons’ growth is based. If that productivity is assured, the Group is willing to be as generous as J ever was. Gopal, Kuchelar, Gurumurti, Chinthan and Varadarajan, all of different political hues, have all been able to successfully deal with the management with this as the basis of negotiation. That must be some kind of record in India.