

# Dr. Rama Prasad Goenka

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**R**ama Prasad Goenka, an alumni of the department of History of our college, spoke at all times in the fondest terms about his years at Presidency. Be it his teachers or fellow students, Rama Prasad said he owed them some of the best years of his life.

The connection of the Goenka family with the city then known as Calcutta, and Bengal, dated back to 1834 when the family patriarch Ramdutt Goenka moved to our city from their hometown of Dunlod in Rajasthan via Mirzapur. The Singhania family of Mirzapur was Ramdutt's principal and appointed him to look after their interests in Calcutta.

Very soon, he set up its own firm, named Ramdutt Ramkishan Das (Ramkishan was Ramdutt's elder son who died in 1853, eleven years before his father).

Rama Prasad (better known in business and political circles as RPG) was very proud of this connection with Bengal. "My family and I are more Bengali and Calcuttan than most", he would chuckle in private conversations.

"This is my city, Presidency my college and Bengal my state", he would add.

Over many sittings before his passing away, I was fortunate enough to learn much from the late Rama Prasad, ranging from his business vision to his social and political beliefs.

## The businessman

RPG reiterated that he was lucky to live the many policy phases that governed businesses in India. As a young man representing an old Indian business family, he started in the free market era when governments let businesses live and work in very much their own way but in an environment dominated by British business interest and underpinned by racism.

In the next phase, he faced up to a different set of challenges as the policies of Prime Minister Nehru developed government ventures as monopolies or preferentially-treated competitors of private capital as part of political vision.

In the next phase, dominated by

his beloved leader Mrs Indira Gandhi, he successfully negotiated the shoals and challenges of the licence-control raj and the opportunities created in the market as foreign capital left the country.

The fourth phase was the era of liberalization as licences were dismantled, monopolies phased out and new openings created for businesses that had no legacy issues.

What of RPG's family? At the risk of oversimplifying matters it would be safe to say that Indian businessmen in the 19th and much of the 20th century mostly operated as sub-agents or suppliers to British and European businesses and managing agencies, so that the latter could run their shop in the British Indian Empire.

Rama Prasad came into business around the time India gained Independence. He fondly remembered his stint at Presidency for a very special reason.

"My performance in the honours examination in 1948 was compromised by the fact that I had to get married that year, just one year after my mother had expired in an air crash in Beirut that nearly killed my father as well. And why? Because another cousin was getting married too, and that was the way Marwari families operated then", he said.

Be that as it may, Rama Prasad belonged to one of the established Marwari business houses of the city, under the management

of the highly respected 'karta', Badridas Goenka (Rama Prasad's grandfather), and his father, Keshav Prasad Geonka.

Despite working with foreign firms for over a hundred years, Indians such as the Goenkas were treated as inferiors and outsiders -- and reminded of the fact at every step.

But while other Marwaris were content with this relationship, men like Keshav Prasad recognized the changing times and moved up the pre-Independence relationship one notch further, by buying shares from overseas stakeholders in managing agencies like Duncan Brothers.

Keshav Geonka then deputed his son Rama Prasad to work at Duncans and learn the ropes. The traditional training academy -- the 'gaddi' -- was replaced by the Duncans boardroom.

In 1951, Rama Prasad joined the company and was accorded the rare privilege of dining with the officers at lunch in their 'tiffin' room.

Even if we pass over the racial harassment he faced, Rama Prasad was not one to accept this relationship. He brought to Indian business several entirely new ideas. He inherited a group of companies with combined turnover of less than Rs 150 crore and left behind a conglomerate that had sales of around Rs 15,000 crore. But the man was far greater than the numbers he represented.

### New ideas

First, he refused to accept the

confines of the boardroom and corporate office. He was happier outside, at the factories and operations, with policymakers and technocrats. For years, he traveled at dawn daily to the Anglo India jute mills on Barrackpur Trunk Road and soon emerged as one of the leaders of the domestic jute industry.

At that time, Indian (read Bengal) jute, coal and mica barons were a large and powerful lobby in national politics. Keshav Prasad spent many hours in Delhi and Rama Prasad played this card with much greater success and skill than even his father.

As Rama Prasad pointed out, the government of Independent India was slowly being drawn into erecting a framework of controls, licence and permits, and being pushed away from a symbiotic relationship with business, for they saw this partnership as a practice that the British government used to follow to favour British firms.

Indian firms were yet to win the trust of new age Congress politicians. Rama Prasad laboured to change this equation.

The second was his determination to make foreigners accept Indians as their equals. Driven by the knowledge that technology was rapidly evolving worldwide, and this was creating new business opportunities all the time, he cultivated, befriended and built up close ties with a select group of European and American businessmen and technocrats.

His aim was to get new

technologies into the country by breaking through the resistance of foreigners to transfer technology, and convincing them of the vibrancy of the Indian economy. Simultaneously, he aimed to use the trust he had won in Delhi to commercialise these in India through new industrial facilities and create wealth in the domestic economy.

### Showdowns

RPG was best known for his celebrated conflicts with politicians and businessmen alike.

To wrap up, Rama Prasad clearly laboured all his life against the licence-permit-control raj, a fight that culminated in a famous landmark in his career. Here are some select ones.

My favourite was his famous showdown with the-then finance minister, Vishwanath Pratap Singh, at Calcutta's Raj Bhavan. VP was an object of fear for the intense raids his department conducted on businesses across the country. Entrepreneurs cowered and policymakers wilted under his glare. At a meeting with Kolkata businessmen, VP undoubtedly expected the usual fawning.

After VP's initial comments and words of reprimand, the mike was to be sent around the table for feedback, but most appeared to have lost their voice. Not so RPG. After introducing in brief, he said, "You have unleashed raid raj in the country and because of this, my colleagues are quiet. Governance by fear is not the

right environment for business.” Urging more openness and co-operation between government and business, RPG spoke for length in a room stunned into silence.

“I walked out of the meeting expecting raids later that evening but also happy to get it off my chest. I think feedback got back to the PM’s office and for some reason, the pressure eased off thereafter”, he said later.

Then there was Carla Hills, the formidable US negotiator on international trade issues ahead of the GATT signing. India and US were at loggerheads at the negotiating table and Hills was in Delhi for some tough talk. At her meeting with Indian industry, RPG spoke out on why Indian businesses would not support clauses detrimental to their interests, in a manner so forthright that Hills reportedly indicated her protest. His reply was, “I think tough women respect tough men and not weaklings. I think you should know how we feel”.

The Morarji Desai government

cracked down on RPG for his support to Mrs Indira Gandhi. His response to this action, which included police action, was to remind Desai of legacy issues that led Indian businessmen to act the way they did. “My father’s long and close relationship with Mr Desai, and my message, may have led the government to bring fairness back into the relationship”, he told me, highlighting the role played by K P Goenka at that most difficult time in his time.

Not all showdowns went in his favour, as he himself truthfully pointed out. He acquired and lost licences and companies in the petroleum/ petrochemicals sector, from Cochin Refinery in the 1980’s to Haldia Petrochemicals in the last years of the 20th century.

As RPG never tired of saying, governments will act in ways that may not appear fair. He failed to gain control of Balmer Lawrie and Andrew Yule as his shareholding (and almost all the floating stock) were nationalized by political leaders to protect some individuals close to them. “They were stated to be companies of

strategic importance- find out what strategic purpose they serve, for I couldn’t find any”, he used to chuckle.

Many Kolkatans will remember the viciously stormy annual general meetings he faced just after he took over CESC with the permission of the Jyoti Basu government. Shareholders who had been sweet with the board of the company through its long years of stagnation (and prolonged power cuts in the city) blamed him for everything, knowing full well that it took around 40-48 months to set up a new power plant. He patiently promised to end power cuts, one that was fulfilled in due course. And that too with the cheapest power of the metros in India.

More than anything else, I feel it was this achievement, this gesture towards the city he loved and adored, that gave him the greatest happiness.

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