

or some part of it—contain untouchability and a variety of serfdom? There is no historical foundation for the view that in the past Indians in their ordinary business of life were any more virtuous than other people. And in the present, there is enough evidence to suggest that they are definitely not. It is not, therefore, a question of reviving any ancient practices and virtues, but one of catching up with others in matters of business ethics, just as in science and technology.

If business ethics in India need to improve, it is not because businessmen here are guided by the profit motive while they are not in some other countries, but rather because often here the pursuit of profits is divorced from the principle of giving "value for money". The constraints under which businessmen work in the industrially advanced countries compel them to adopt a socially more responsible attitude than do our businessmen. There the standards of consumer awareness and interest in quality are much higher. But, above all, in those countries there is much more competition among business firms. In India often the size of the effective market for a product is such that only a few firms can exist. Planning and regulation of private investment through licensing, etc. has further reduced competition. In these circumstances much more attention needs to be given to "customer protection", in India than in the advanced countries.

But Shastri's suggested "code of conduct", the adoption of which, the men of business and industry "might consider", is totally irrelevant for the purpose. Voluntary restraints on business just do not work, and especially so when what is sought to be restrained is profit. If increased profits arise due to improved efficiency then the business has a right to them—or at least is likely to think so; if they result from a privileged position—which is the general situation in an economy dominated by shortages—then again it is too much to expect that without any pressure (e.g., from a monopolies commission or a price-review body) they will be given up.

Shastri also expressed the hope that a voluntary ceiling on profits "should help in some measure to remove the feeling that seemed to divide those who had and those who were still in want". This, again, is expecting too much. Even if there were some voluntary restraint on profits, its effect on

the unemployed rural and urban workers can only be negligible. This is the most deprived economic class, an improvement in whose conditions can only come about by direct action concerning their problems.

### Progress of Warehousing

HOW much sense does it make to talk in terms of state trading and buffer stock operations in food grains without adequate warehousing capacity? A study of the availability and utilisation of warehousing capacity in 1961-62, published in the February issue of the Reserve Bank *Bulletin*, presents a bleak picture. On the face of it, the "overall progress" with regard to both the number and capacity of warehouses of the Central and State Corporations appears satisfactory, showing a nearly two-fold increase between 1961 to 1963. But in aggregate terms, warehousing capacity is way behind requirements. And the capacity that there is does not seem to be very rationally distributed, judging by the very wide variation in utilisation among different States.

As is to be expected, the bulk of storage capacity (around 78 per cent) is used for foodgrains. This naturally results in very uneven utilisation through the year. The Central Warehousing Act of 1962 sought to extend the scope of the Central and State Warehousing Corporations to non-agricultural commodities. This was to enable use of the warehouses in the agricultural off-season. So far, however, this move does not seem to have produced a marked impact.

Even with regard to peak season use, there is great disparity in the performance of the States. Punjab, with less capacity than other States like U P and M P, uses around 90 per cent of it, while the latter states achieve only 60 to 70 per cent utilisation.

As a proportion of the marketed surplus, the storage in the warehouses is negligible. And, in any case, who uses the warehouses? Not the producers certainly; not even the co-operatives. The co-operatives account for exactly two per cent of warehousing capacity used! The Government's share is hardly 7 per cent. The principal benefactor, then, is the trading community which now accounts for 84 per cent of the storage.

An important objective of the warehousing scheme is to make credit available to the depositors against the warehouse receipt. Taking all com-

modities, advances against warehouse receipts come to about 16 per cent of total advances against the commodities concerned. Here again the inter-State variations are significant and seem to bear little relation to the availability of warehousing capacity. In Assam, with very low capacity, warehouse receipts account for 31 per cent of advances, while in U P, which has the highest capacity, only 15 per cent of advances are against warehouse receipts to obtain credit, the co-operative banks have once again shown practically no interest at all.

### LETTER TO EDITOR

#### Language and Unity

¥ READ with considerable interest Sankar Nath Maitra's comment on 'Language and Indian Unity' in *The Economic Weekly* of March 13. The striking thing about it is that it is free from the cant and hypocrisy that usually surround any discussion of this problem. Above all, Maitra has made a constructive approach to seeking a solution.

I think the time has come when we should try to differentiate between a *national* language and an *official* language. Even when Gandhiji spoke of Hindi as the *lingua franca*, he meant it more as a spoken language that can be easily understood by different peoples inhabiting the sub-continent. (In fact the Oxford Dictionary meaning of the term *lingua franca* itself is "any language serving as medium between different peoples.")

As Maitra points out, the all-India official language is not for everybody for all uses, but only for official and public uses, and so necessarily confined to those who work in such restricted fields. Hindi, however, can be used as a language for State functions and ceremonial occasions to satisfy self-respect. This is not so novel as it may appear. The Filipino example that Maitra has suggested here is, therefore, very relevant. As he points out, Tagalog, which is spoken by the largest group, is the national language and ceremonial citations are done in that language. But the official language is English and it is used in courts, Parliament and offices. It seems to me that this Filipino case is one that deserves greater examination by our policy-makers if we are to extricate ourselves from the morass into which we are steadily drifting.

Bombay T T Vijayaraghavan  
March 16,