

Our Delhi Letter

The Oil Business

WHEN oil spurted from the Lunej test well, many hearts besides that of the visiting Prime Minister, should have gone gay; for here was in sight perhaps a solution to India's growing power problem. Yet when a mention was made of the subject in the Lok Sabha last week during the debate on the demand for grants of the concerned Ministry, Shri K D Malaviya, Minister for Oil and Mines, hedged this announcement with so much caution that even those who came to cheer him kept mum after hearing him speak. He merely stated that a "commercially feasible" oilfield had been found in Cambay; "commercially feasible", indeed, when any Minister, given the chance, would have sky-rocketed his ministry's achievement, bowed to a cheering House on all sides and looked in the front page of the morning papers for his photograph! But not Malaviyaji this time.

Why this restraint in public? Apparently for two reasons: One is that testing for oil is no romance. Today it is costly, fantastically costly. It is also risky. After drilling for months at prohibitive cost, the chances are that no oil is found at all. For the exploration of oil under the Indo-Stanvac Petroleum Project, the Government has so far contributed over one and three-fourth crores of rupees and after digging 13,000 feet at one site and 12,000 feet at another, both sites had to be abandoned, no oil being in sight. Under this project, in the concession area of 10,000 sq. miles in West Bengal, eight test wells have been drilled. The report is that 'no oil or gas has been encountered so far'.

FOREIGN PARTICIPATION

The second reason is that oil exploration, establishment of a refinery (if oil is 'commercially feasible') and oil distribution are possible only with foreign participation on a considerable scale. In the oil industry especially, such participation is both welcomed and suspected. Many of those who took part in the debate in the Lok Sabha were critical about the terms of the agreements between the Government and the participating private firms and one Member even charged

the Government of 'deviation' from the industrial policy resolution.

Malaviyaji denied this latter charge but admitted that his experience of the oil business had made him "unhappy" over some clauses of the agreements. The Minister wanted to assure himself first and the House next that any future agreement between the Government and a foreign party would be based on two important considerations viz that

(1) it is within the framework of the industrial policy resolution and

(2) it is consistent with the national interests.

Would the foreign firms now participating in oil exploration be allowed to expand their establishments? The Minister's reply, though couched in general terms, underlined his earlier reference to 'unhappiness' in the oil business. He made it clear, nevertheless, that the proposal for expansion, now under consideration, would not be on the same stipulations as in the 1951 agreement, which, he said, "was heavily loaded in favour of the company".

REFINERY FOR CAMBAY OIL

At any rate, for handling the Cambay oil, the Government would set up a medium sized refinery on its own. Although he rated the capacity of the refinery as between half a million and one million tons and added that work on it would start almost immediately, he did not want to commit himself to any output figure from the wells. That he said would not be possible till after the ratio between the oil and gas was established.

To sum up the oil policy of the Government: The present explorations will continue. Hope is fastened on Cambay and Sibsagar (Assam) drillings. There will be a substantial outlay for the programme in the Third Five Year Plan. Help for the supply of current requirements will be sought from all friendly sources.

An unmistakable indication as to which friendly source the Government is immediately turning to is provided by the invitation that the Minister is reported to have received from Moscow. It is gathered that Shri Malaviya may go there in another two months.

Rajaji in Delhi

RAJAJI is news wherever he goes and whatever he chooses to talk about. On his latest tour of North India on his latest 'mission', he was as interesting as at any time before and drew appreciative audience in all the centres he visited. It is characteristic of Rajaji that he did not bother to do anything else than issue a mere statement when he was prevented from speaking in one or two places in the U.P. He did not refer to the language problem at all nor did he pay much attention to those from among the high ranks of the Congress who came to his aid.

Rajaji's round of engagements in Delhi suggested that he was ready to sell the 'Swatantra' idea to any class of people ranging from lawyers to grain dealers. To the Press, he was amiable and answered all their questions, parried their thrusts and, where it suited him, ignored insinuations. Yet for all his clever-

ness, logic and deep insight into administrative problems, Rajaji failed to bring enthusiasm to those who listened to him. On the economics of 'Swatantra' he sounded very thin. Perhaps the trouble with him was that he was trying to oversimplify matters. To say that traders must trade, manufacturers must manufacture and that a Government must just govern and do nothing else—well, one thought one was going back to the Vedic age. Gandhi simplified matters to reach the mass mind, but Rajaji, using the same technique, oversimplifies to near-grotesque and, to a New Delhi audience at any rate, he sounded hollow and ancient. Rajaji will certainly deny this, for he refuses to accept even that he is old.

When Nehru, calling on Rajaji in New Delhi, said that he had come to see how young Rajaji looked, there was more than graciousness in the remark. Rajaji *does* look young.