

Weekly Notes

One More Audit ?

WITH an the emphasis on the programming in preference to the review agencies of Government. and audit smigred out for attack as the viman or the piece which shows down progress and spreads frustration an around, it may appear fronical that one more audit should be sought to be panted on the developmental activiues of the Government. Internal emergency audit, however, Which the Planning Commission has in mind, is not just one more audit, in addition to all the rest, or a substitute for the Auditor-General's audit. If carried out progeny, it should go to the root of development by compelling the agencies concerned to 'economise' in the proper sense or the term viz by utilising resources to optimal advantage. Accountants do not do that; they only check that against every expenditure there is a Voucher and proper sanction of the appropriate authorities. They have. no other criterion. Whether the same thing could be achieved more economically from the wider standpoint of national resources, by using less resources quantitatively, or by a different combination of resources which might call for the adoption of an alternative technique are beyond the ken of the auditor. There is, we are told, such a thing as 'higher audit' which studies different ways of doing the same thing and suggests the best means of achieving a given end, e.g. by comparing cost data in similar project. But it does not go very far and its application has nowhere been conspicuous or successful.

Even the usual test of efficiency does not quite apply to Government enterprise. The private producer has to quit, if he loses sight of cost in relation to the selling price of the product, which he cannot control unless he happens to be in a special position of advantage. No Government enterprise in the field of industry is under a similar compulsion to earn profits and many of these enterprises are in a field where cost price relationship cannot be established directly and can, therefore, never be enforced; hence the need for efficiency audit. Along with annual plans and perspective planning and state trading, it was one of the germinal ideas in the Draft Plan-frame which is now being

given effect to, or is expected to be given effect to by the Committee which has been appointed by the Planning Commission to develop "a system of internal audits of projects Included in the Second Five Year Plan".

The purpose is to ensure that the money spent on projects yields the best possible results. In order to achieve this purpose, "all means of securing economic and efficient use of technical manpower resources, materials and equipment will have to be explored. For convenience of investigation, all the projects, industrial and non-industrial, have been divided into six groups and as the Chairman of the National Development Council, Shri Nehru has nominated the Chief Ministers of Bombay and Uttar Pradesh for the group investigating agriculture and Community Development Projects while Chief Ministers of Andhra. and West Bengal will be the members of the committee for the Public Works and building group,

Exodus from East Bengal

MR ZIAUDDIN, Pakistani High Commissioner in India, is a realist. New Delhi hopes against hope that the exodus of displaced persons from Eastern Bengal will end as the situation Improves. Karachi has repeatedly assured that its policy is to stop the exodus, and that it will pursue such a policy to the minorities as to discourage their influx into West Bengal, But the migration continues. Mr Ziauddin has expressed his opinion that it is likely to continue. His candid admission will be endorsed by all those who have the honesty to accept a realistic assessment of the problem. To stress this is not to concede the promises on which Mr Ziauddin's opinion is based.

Mr Ziauddin absolves Karachi of all responsibility for the Hindu exodus from East Bengal. "If, in spite of oft-repeated assurances from the Government, the minority community feel that they have no future in Pakistan", Mr Ziauddin asks, "what more can he done?". Karachi has repeated its assurances of fair treatment to the minorities. But it has not succeeded in implementing its assurances. This cannot be denied as the Hindu exodus continues. Nor will it be disputed that the

migration continues because the minority community does not feel secure in Pakistan. Mr Ziauddin would seem to question this bask assumption. He seems emphatic that "however much a Government, or the two governments of India and Pakistan might try jointly", the Hindu exodus will not stop. He explains away the continued exodus to be due to the "psychological make-up" of minorities.

Mr Ziauddin has not elaborated the implications of his explanation, but the Muslim League will echo his views for entirely different reasons. Some time ago, Karachi seemed to accept, by implication, that the Hindu exodus was due to a feeling of insecurity. That was why it gave assurances that it would follow such a policy as to remove the misgivings of the minority community. In recent months, it has more than once indicated that it 'accepts Mr Ziauddin's explanation for the exodus. This begs the whole question. Psychological factors are involved. But the oft-repeated assurances about a change of policy to the minority community should have eliminated the psychological factor, if these assurances were truly implemented. This is the main problem. In Pakistan, the minority community has not the same status as the Muslims. In the Islamic State of Pakistan, Hindus have inferior rights of citizenship. This is the main reason why the Hindu exodus continues. Political, administrative and economic discrimination aggravates the outflow of Hindus from East Bengal. It can, perhaps, never be ended, but the outflow can be minimised with the gradual progress of democracy in Pakistan.

Expanding the Commonwealth

LORD WOOLTON and Mr Butler can take credit for the return to power of the Conservative Party in Britain after its eclipse in the immediate post-war period. If the Conservative Party loses the next general elections, it will be because of bellicose blunders of Sir Anthony Eden and Mr Macmillan. The Party has lost popular support by Sir Anthony's aggressive Suez diplomacy. But the Butler-Monckton group has considerable influence within the Conservative Party. There is a progressive element within the

Party which is reconciled to Britain's changed world status since the last war, but is anxious to gain moral prestige for Britain. In the Commonwealth, Britain has an organisation which can be extended and improved to enhance Britain's international status. Evolution of the Commonwealth since, and as a sequel to, the transfer of power to former Asian dependencies has been one of the major contributions of the Labour Party to Britain's efforts to regain world prestige.

It is as much a reflection of the changing international conditions as of the progressive elements within the Conservative Party that a group of Conservative MPs have sponsored a plan for extension of the Commonwealth. Soon, the Gold Coast will be a member of the Commonwealth. In the immediate future, Malaya and the Caribbean Federation will be Commonwealth members. Along with the completion of these developing events, it is now proposed that the Sudan, Burma and Norway should be included within the Commonwealth. At the Labour Party's annual conference, there was a resolution to expell South Africa from the Commonwealth for its policy of racial discrimination. It is clear that the Commonwealth will increasingly become a multi-racial, non-British, non-white association. But the sponsors of the plan for extending the Commonwealth seem to be influenced by the possibility of the Commonwealth emerging as a "third force". Two recent developments would seem to be against the "third force" idea. Russia and America still remain the two giants in conflict. But, since the understanding among Big Powers not to wage an atomic warfare, the "third force" concept has lost much of its appeal. Nor can Britain, with the Conservative Party in power, inspire the Commonwealth to emerge as a "third force".

Half Sufficiency in Oil

IN his Presidential address at the last Annual General Meeting of the Geological Mining and Metallurgical Society of India, Shri W B. Metre, Senior Geologist of the Assam Oil Company, summed up the position of oil in Assam as follows:

"The proved and probable reserves in the Nahorkatiya area are sufficient to plan a production target of two and a half million tons of oil per year together with

about 45 million cubic feet of gas per day, equivalent to about 0.6 million tons of fuel oil per annum, a large part of which could be utilized for industrialisation of Assam".

On the basis of current consumption, Assam alone, therefore, should be able to meet 56 per cent of the present estimated crude requirements of the country as against only 5 per cent at present. True, the consumption of oil is also going up fast. But even after allowing for increased consumption. Shri Metre thinks that we can count on meeting about half of our requirements from domestic productions. It should be noted that this estimate is based on "proved and probable reserves". It excludes the proved but unestimated pools of part of Hugrijan near Nahorkatiya and in the Moran area, in both of which exploration work is being pushed as rapidly as possible, as also of possible strike in other areas in the Assam Valley which look promising. Conditions in India are similar to those in U S where also "the number of prolific fields is limited" and "a substantial proportion of the production is obtained from a large number of scattered small pools, involving extensive exploratory drilling to cover a very wide area". This is borne out by the recent experience of the Assam Oil Co at Moran and parts of the Hugrijan area, "where only one oil-bearing sand is present, compared to more than five oilsands in the Nahorkatiya area," which go to show that "we must be prepared to investigate a very large number of favourable structures to discover more oil".

Why has it taken so long to find all this oil? Shri Metre gave an interesting explanation. Geophysical work in the Nahorkatiya area was actually undertaken as early as 1925 when this method of exploration was in its infancy. "It was known that wells deeper than 10,000 ft may be required to explore this area and the drilling technique was not sufficiently advanced in those days to contemplate drilling to such depths. In fact the first well below 8,000 ft (in California) was not drilled until 1927. Though in those days exploratory effort was first directed towards exposed structures, the alluvial areas, which involved very heavy expenditure on geophysical prospecting, also received due attention. As soon as the possibilities of drilling

to won below 10,000 ft were visualised, some seismic work was carried out in the Nahorkatiya area during 1938-39 to locate the most favourable site for drilling the first well. Unfortunately, soon afterwards the Second World War intervened and on account of the restrictions imposed by the Government, it was not possible to undertake any drilling in this area".

Like all other geologists, Shri Metre, warns that geophysical surveys cannot give any indication of the presence or absence of oil. "They only help us in giving a general picture of the alignment of the various rock formations, without indicating what rocks are involved. However, these methods are very useful in locating the test wells in the most favourable positions". But unlike most geologists, Br Krishnan, for example in his Presidential address at the last Science Congress, Shri Metre is not unhopeful. Besides Assam, he said, "there are several large alluvial areas in the country, where we can now expect to find oil. These areas include part of West Bengal where S V O C are carrying out much geophysical work and the extensive Ganges Valley and the alluvial tracts of Rajasthan, Saurashtra, etc. There are also several exposed areas where the Oil and Natural Gas Commission have carried out very systematic geological and geophysical surveys and are due to undertake drilling operations". And like all good geologists, he advises plenty of patience and an over-dose of optimism; it is only the drill, however, which can give the answer!

Notice to Subscribers

Subscribers are requested to inform us immediately regarding non-receipt of their copies. Complaints should reach us within a week from the date of publication.

In no case will it be possible to replace a missing issue free of cost, unless timely intimation is made.

Complaints can be attended to promptly, if subscribers kindly remember to mention their Subscription Number while writing to us.

The Economic Weekly
15, Tamarind Lane,
Bombay-1.