

Expenditure and Loan Schemes for Refugees of Combined Punjab

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Abstract

After the 1947 partition of Indian subcontinent the government has to spend a lot of money to the persons who migrated to present India, Many industries were in shambles and the industrialists were in dire demand of funds to their rehabilitation. Government of India provided soft loans to overcome the problem of unemployment. In the present paper, some details regarding expenditure and loans have been discussed.

Keywords: Loan, Rehabilitation, Refugees

1. Introduction

Government of India has assumed responsibility for all relief expenditure in the provinces. The budgeted expenditure during seven months for the last financial years, since the beginning of the refugee problem in August, was Rs. 6.21 crores. Out of this the major item was winter and cotton clothing, including quilts, blankets, jerseys and other cloth, the cost of which also was estimated to be in the neighborhood of Rs. 2.5 crores. The estimated cost of the feeding of refugees, including the feeding of Muslim evacuees, was Rs. 1.95 crores, but the actual remained near Rs. 1.13 crores. The next major item of expenditure was evacuation, for which railways alone were due an amount of nearly Rs. 80 lakh. Medicines and hospital equipment has cost approximately Rs. 30 lakh [1].

The provision of accommodation was another important item of expenditure. The total expenditure on refugees from 15 August 1947, to March 1948, excluding the amount spent by private organization has been estimated at Rs. 22 crore by the central government and Rs. 21,44,616 by the East Punjab government [2]. The major item of expenditure in financial year 1948-49 was feeding and provision of accommodation. There was a provision for construction of over 4,000 new houses in thirteen different colonies in the neighborhood of existing towns of the East Punjab. The remaining expenditure included provision for clothing, medical relief and the various aids to the destitute [3].

2. Urban Rehabilitation

2.1 Problem of Urban Rehabilitation

The task of urban resettlement was essentially different from that of rural resettlement both in its nature and magnitude.

There were three major aspects of the problem housing, employment, and commercial and industrial life [4].

In Pakistan, property left by Hindus and Sikhs was several times more than the property left by Muslims in India. Another handicap has been the insufficient number and inferior quality of the houses left by evacuees in Punjab. The urbanite displaced persons who have migrated from the West Punjab were accustomed to a much higher standard of residential accommodation than their evacuee counterparts in this province. These urbanites left behind 1,54,000 houses in the West Punjab. The number of allotted evacuee houses in the East Punjab on the other hand was only about 1, 12,000 and they were markedly poorer in quality and accommodation capacity.[5]

In respect of the accommodation for commercial and industrial purposes, the discrepancy was even more marked. Against 51,000 shops and business premises abandoned in the West Punjab, the number of evacuee shops in this province was only about 17000. In the case of industrial establishments the ratio was 13 against 1, the Muslim having left only 1100 allotted establishments in the Punjab.[6]

Urban rehabilitation in respect of provision of gainful employment to the displaced persons had also been hedged round with many difficulties. The Hindus and Sikhs who had come over from West Pakistan mainly constituted the trading class, whereas the bulk of the urbanite Muslim population of the Punjab consisted of technicians, artisans, craftsman, mechanics, and labourers.[7] The displaced persons have naturally been desirous of pursuing their previous vocation, but the opportunities for their absorption in the Towns of the Punjab in these professions were very limited. This had obviously made the problem of resettlement of displaced persons very complicated.

A large number of the allotted factories could not start functioning due to the acute shortage of machinery parts, raw material and skilled labourer used to be drawn from the evacuees who have migrated the province. Machinery was extensively damaged during the partition.

At a time of national emergency, the problem of resettling the urbanite displaced persons, therefore, government faced to immediate tasks, the first and for most of which was the provision of housing accommodation and second of which was the acquisition of gainful employment to the people to enable them to earn their livelihood.[8]

2.2 Housing

The first and the immediate need of the displaced persons, after food and temporary housing in camps, therefore, as to have residential accommodation. For the immediate rehabilitation of urban refugee the government allotted the evacuee houses on a temporary basis. The policy that was laid towards the allotment of these houses was to accommodate in the respective urban areas, only those displaced persons who had migrated from similar urban areas of Western Pakistan. This was done to provide suitable surrounding for pursuit of trades and profession. Of the four million displaced persons who have come over from the West Punjab; nearly 13 lakhs were from urban area. In allotting the population quota to the various provinces and states in India, the share of Punjab and PEPSU was fixed by government of India at 13 lakhs of urbanite population for re-settlement in their urban areas.[9]

The government of East Punjab decided in October, 1947 to allot a scale of space at the rate of 50 square feet of floor area for an adult and 30 for child.[10] The excess accommodation was to be shared with other families.

The government has inaugurated several new housing schemes for shortage of housing accommodation. These scheme aimed at the provision of housing accommodation to suit persons of all classes, including those who have been accustomed to a better standard of living as well as poorer classes.[11]

2.3 Model Townships

The east Punjab government decided to establish model townships in the 17 towns. The scheme of construction of 4200 houses and the laying out of 9800 building sites in the new township colonies have already been very largely implemented.[12] These townships have been created outside the various towns of the Punjab, namely Jullunder, Ludhiana, Khanna, Hoshiarpur, Jagadhari, Karnal, Panipat, Rohtak, Sonapat, Gurgaon, Palwal, Rewari, Ambala, and Hisar. The total accommodation that these township aimed at 66,000.

Out of the proposed 4,200 houses, 3,873 have already been constructed in twelve townships. Of these 2123 were sold to the displaced persons. 393 houses were placed at the disposal of the Defense Organization of the Ministry of Rehabilitation, government of India for allotment to the displaced serving soldiers.[13] The remaining houses have

been temporarily utilized for providing accommodation to various government Department and government officers. Some houses have been reserved for provision of essential amenities such as for the establishment of schools, police posts and dispensaries.

The 6800 building sites were laid out in the vicinity of the houses which have been constructed in these new townships colonies. Out of these 5048 sites has so far been put to sale. Of these 3438 sites were sold, 274 reserved for the displaced military personnel, and the balance were yet to be disposed of. These building sites were of various sizes, ranging from 16 marlas to 6 marlas, to suit the requirements of the different classes of purchasers.[14]

These houses and sites were sold under the provisions of the East Punjab refugee rehabilitation act 1948. The sale price of the building sites as the reserve price was determined by the Public Works Department. The mode of sale was by auction, to which the purchaser has the option to bid only for the initial installment, the minimum of which was fixed at 5% of the total price. The balance, after deduction of the initial installment, was payable with interest of 3% per annum in thirty equated half-yearly installments.[15] Shopping centers were created in these townships. 110 shops which were already completed at various places, and be sold to displaced persons. In 1950 it was proposed to construct only 200 shops.[16]

2.4 House Building Loans

The government also gave house building loans for the construction of new houses. A scheme for giving house building loans was, therefore, been inaugurated. For giving a legal basis to this scheme a new enactment, namely the East Punjab refugee rehabilitation (house building loans) act, enforced. Funds amounting to nearly Rs. 40 lakhs were placed at the disposal of the deputy commissioner and registrar, co-operative societies (rehabilitation), for giving loans to individuals and house building co-operative societies for constructing houses on the sites in the townships. Loans were, in the first place were for those persons who can contribute to the cost of constructions from their own resources. In their case the maximum amount up to 66.66% of the total cost of construction was being provided in form of loan.[17]

The displaced person who were not in a position to finance their house construction to any extent, come next in precedence. The loans were advanced on the following scale [18]:

- Rs. 3000 if the area was not more than one kanal.
- Rs. 3500 if the area was more than one kanal but less than two.
- Rs. 4000 if the area was more than two kanal but less than three.
- Rs. 4500 if the area was more than three kanal but less than four.

The application for loans was sanctioned by the deputy commissioners of the districts where the sites were located. The deputy commissioner was authorized to grant loans up to Rs. 5000/- and to recommend the cases for higher loans to the financial commissioner Relief and

Rehabilitation, who can sanction up to Rs. 10,000/ Registrar was authorized to sanction loans up to 5000/- per number for the company, firm, cooperative society, associations or body of individuals, as the case may be. The loans was repayable in 30 equal half yearly installments with interest of 4.5% per annum, intense publicity was given to houses building loan scheme by sending notices to every individual purchaser of the building sites, in order to ensure that the construction of his house in not held up because of the non-availability of finances.[19]

2.5 Cheap Housing Schemes

The working classes and the low income groups were accommodated in the two cheap housing schemes, one of which aimed at the provision of 6150 building sites at various places in the province and the second aimed at the creation of 10,000 numbers of eight Marla plots.[20]

Table 1 Building Sites for Cheap Housing Scheme

Place	No. of Houses
Pathankot	1000
Batala	700
Amritsar	500
Moga	300
Ropar	250
Bhiwani	500
Hansi	100
Shahabad	100
Jullundur	1000
Jagadhari	200
Panipat	300
Ambala	700
Ludhiana	500
Total	6150

Source: Relief and Rehabilitation in Punjab, pp. 21-22

Table 2 Eight Marla Plots)

Place	No. of Houses
Batala	400
Pathankot	400
Ludhiana	500
Jullundur	1000
Ambala	700
Jagadhari	500
Rohtak	1000
Hissar	400
Gurgaon	1000
Palwal	800
Karnal	800
Panipat	800
Site of the capital	1000
Total	9800

(200 kept in reserve)

These new colonies of cheap houses were largely created in industrial areas which were established outside some of the important urban areas. These provided accommodation to the laborers and workers who were employed in the factories of the industrial areas.[21]

2.6 Mud Huts

The Punjab Government decided to undertake the construction of cheap mud huts at the site of the camps in order to provide substitute shelter. The cost of these mud huts was Rs. 300/ per mud hut. Government constructed nearly 8,000 huts at various places in the province. The target was of 13,200 mud huts before the summer, which enabled to provide accommodation to nearly 70,000 persons. Nearly 40,000 persons were already been put into the huts which have so far been constructed. These huts were allotted to the displaced persons on the basis of one family per hut. These huts were for scheduled caste and other backward classes persons who were resource less and landless.[22]

3. Gainful Employment (Allotment of Evacuee Shops and Factories)

After the first requirement of residential accommodation for a displaced family had been met, the next important step towards effecting its speedy rehabilitation was the provision of business premises where it can pursue its industry or other professional work. For this purpose government laid down the policy, that evacuee shops and factories will be allotted only to the displaced persons. It was an essential condition of eligibility that the displaced persons, who claimed allotment of a shop or a factory, were carrying on similar business or industry in the West Punjab.

There were in all 17,826 allotable shops. Of these 17,614 comprising 98.8% already allotted. In order to meet the deficiency in shops, local bodies have been encouraged to build wooden stalls at suitable places along the main roads. Out of nearly 1600 factories abandoned by the evacuees, 1116 factories were allotted to the displaced persons.[23] The government also made efforts to help displaced industrialists by providing unfinished goods, raw material, spare parts, tools, fuel and lubricants.

4. Industrial Townships

Displaced industrialists who were desirous of being rehabilitated in the Punjab, Punjab government decided upon a scheme of development of Industrial Township outside some important urban areas which have substantial Industrial Potential. A committee set up by the government recommended location of these townships at Faridabad, Bahadurgarh, Sonapat, Panipat, Jagadhari, Khanna, Ropar, Ludhiana, Jullundur and at a place between the capital and Ambala. The target set before the government was the establishment of about 1000 factories with labour potential of nearly 40,000.[24]

The two chief immediate requirements of the industrialist were the availability of land and electric power for industrial purposes. The scheme completed the very early provision of both these requirement, at the least possible cost. The total area of the land acquired for the other eight industrial townships was 4600 acres, including the requirements of residential and industrial areas with details as under:[25]

Table-3

S.No.	Township	Acre in Areas
1.	Bahadurgarh	1000
2.	Sonepat	1000
3.	Panipat	1000
4.	Jagadhari	1000
5.	Jullundur	100
6.	Ludhiana	300
7.	Khanna	100
8.	Rupar	100
	Total	4600

In order to enable the industrialists to easily meet their requirements of building material for the construction of factories, department of industries secured sufficient quota of coal for burning 5.5 crore bricks.

The chief industries which were to be set up in these areas include: Engineering industries, Foundries and workshop, Radio parts, Cutlery, Surgical, Instruments, Textiles, Chemicals and Pharmaceuticals, Brass paint and Varnishes, Glass, Hosiery, Sports goods, Oil mills, Pottery, Shops etc.

For further helping the industrialists to build factories, it was considered necessary that they should be advanced loans. The maximum loans of Rs. 5000 that can be given under the normal provincial loan scheme cannot meet their requirements. It was felt that without the help of the rehabilitation finance from administration of the government of India, this task cannot be achieved.[26]

5. Vocational Training

The displaced persons who have taken shelter in the Punjab were mainly from trading classes, whereas the bulk of the Muslims who have migrated from this province were technicians and labourers. Shortage of numbers of skilled and unskilled labour was in abundance. A large number of vocational training centers were established at various places in the province. The training was imparted in two categories, one being of Engineering trades such as turners, mechanics, welders, molders, carpenters and bricklayers and other being of the type of important cottage industries and occupational trades such as weaving, leather work, tailoring and manufacture of sports goods.[27]

Department of industries of the Punjab government also started various training centers, in which 4316 trainees, including both boys and girls, were trained. In 24 centers spread throughout the province training was given to 2847 displaced persons in the various crafts.[28]

Nine centers for giving training to displaced girls in tailoring, spinning toy-making and hand embroidery and kitting were now functioning and the number of trainees in these was 1119. Training to 1334 persons was also imparted in the hosiery centers at Ludhiana. In the government Textile Technical Institution at Amritsar, 77 displaced persons were trained in weaving. Jullundur was gradually becoming an important centre for manufactures from Sialkot in West Punjab where they have concentrated. This industry already providing gainful employment to nearly 20000 families, and there was still considerable scope for its expansion.[29] For providing skilled labours for this industry, a training centre for sports goods manufacture was established at Jullundur.

A scheme for the rehabilitation of widows and unattached women, by making available sewing machines to them on hire-purchase system and by giving them a small cash subsidy for their livelihood was also in operation. An expenditure of Rs. 57,000 incurred on the execution of this scheme. The amount advanced to each destitute woman was recoverable in four years in easy installments at the rate of Rs. 6/ per month.[30]

6. General Financial Assistance

Most of the refugees did not start any business or profession on their own resources. For providing financial aid to the poor and middle class displaced persons desirous of rehabilitating themselves in business, industry or profession, a scheme for the issue of small loans and grants was introduced as far back as in February 1948. This scheme was governed by the Punjab refugee rehabilitation (loans and grants) act, 1948, under which a loan up to Rs. 5900/ was admissible to an individual, up to Rs. 20000/ to a group of four or more displaced persons, and up to Rs. 25000/ to a cooperative society. The maximum grant admissible for rehabilitation purposes was Rs. 500/. The grants were given only to destitute persons such as widows and unattached women, to whom assistance in the form of loans was unsuitable. The loans were recoverable, whereas the grants were not recoverable. Loans were granted for the purchase of machinery and equipment and for the expansion of business. Maximum amounts fixed for each class of borrowers are indicated below [31]:

Table-4 Loans for Purchases of Machinery and Expansions of Business

Traders, Shopkeepers and those persons who wish to start their own workshop or cottage industries	Rs. 5,000
Doctors, Lawyers, Architects and consulting engineers	Rs. 3,000
Purchase of Tonga's	Rs. 1,000
Others	Rs. 5,00

Recovery of loans, which carry interest at 3% to be made in equal annual installments extending over six years, no recovery were being made in the first two years.[32] Loans, either to individuals or two groups, were given by the Deputy Commissioners who were assisted by non-official urban re-settlement committees for examining the claims and loans to cooperative societies were given by the registrar, cooperative societies (rehabilitation), though the scheme was primarily meant for displaced persons setting in urban areas, it also contained provision for giving of settlement loans upto the amount specified below to rural artisans and village craftsmen.[33]

Table-5 Loans Amount for Rural Artisans

1. Shopkeepers of the class of quota and depot holder Rs. 800
2. Petty shopkeepers, oil pressers and tailors Rs. 300

3. Blacksmiths and carpenters.	Rs. 200
4. Weavers.	Rs. 150
5. Potters, tanners and leather workers	Rs. 100
6. Barkers, sweepers	Rs. 050

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