

Reactions to the Diwali Gift

CONSIDERED opinions are now available refueling the Diwali gut of a compensation scheme, which Shri Ajit Prasad Jain, Minister for Rehabilitation, announced earlier this month. Those opinions may broadly be divided into three categories. The vast majority of the refugees dismiss this scheme with genial cynicism, in the first place. They hoped for, although they did not expect, a substantial contribution from the central exchequer in fulfilment of the famous XYZ formula. Last May however, when the Rehabilitation Ministry's scheme was being put together, the Finance Ministry was opposed to any such grant. The present scheme of compensation being only provisional it is still not known definitely whether this decision is final, or what, if it is not, the size of the central contribution will be.

Since the Cabinet's decision of last May, however, the National Development Council has decided to increase the expenditure on refugee relief and rehabilitation by extending it beyond the 31st March, 1954. This will mean that the money which will be available for the evacuee pool which is now being built up out of the proceeds of the sale of evacuee property and the value of capital expenditure on rehabilitation) will to that extent be enlarged. Is this all that is meant? Or, will there be a further contribution at a later stage direct to this pool? Nothing is yet known, but it is improbable that there will be a central contribution or that it will be large enough to be worth any notice. This, naturally, is a sore point with the refugees.

Practically every refugee from the Punjab will voice his grievance, but the richer among them have two other complaints in addition. They would like the maximum compensation at Rs 8,000 to be increased, if possible. Of course, it is recognised that the compensation scales have to be graduated in the interest of equity. If they are so graduated, it follows that only small sums of money will be available for the richer 5 per cent. But in that event, why not add to the pool such sums as will be necessary to increase this ceiling? Alternatively, why not release property from the Indian evacuee pool, to the extent that is necessary for enabling private exchanges? Much can be and has been

urged against either of these courses. But those who have lost property remain unconvinced.

The richer classes among the refugees also come later in the order of precedence laid down for inviting and deciding on applications for compensation. This is understandable. At the moment, the so-called evacuee pool which is to finance the compensation exists largely on paper. The pool properties have to be valued or adjusted as the case may be - a procedure which is bound to take time. Clamant applicants, however, cannot be expected to understand these difficulties of the Government of India and make allowances for them.

It has fallen to Shri Jain's lot to face these and other difficulties. The temptation to postpone any decision must have been great. When so much was and is uncertain, when it was not known how refugees would receive an incomplete scheme, when the size of the pool, even on the basis that it is made up of the value of evacuees

property and Government-built assets cannot yet be precisely determined, and when negotiations with Pakistan have been stalled, prudence might have dictated postponement of any major decision. Shri Jain has, with some courage, declined to follow this course, and he has decided to do the best that is possible in the circumstances for the following two reasons.

These two reasons are, in the order of importance, first that evacuee property, which is rapidly falling into disrepair, can continue to have any value at all, only if some one has, or is given, a vested interest in it, which, even if it is not absolute, is nevertheless considerable enough to provide some incentive. Secondly, six years have already passed since partition and if some decisions can be taken which will not prejudice any future course of action, but can be confirmed, if necessary, later on, there is every thing to be said for taking them.

The Diwali gift to the refugees this year is to be assessed against this background. Inevitably, from the refugees' own point of view, it is good only in parts. But the means of improving the scheme is to press for a settlement with Pakistan at any rate for the present

Letter to the Editor

Movement of Foreign Capital

IN your Weekly Note on "Movements of Foreign Capital" appearing on page 1053 of your issue dated September 26, 1953, you have said that *The Statist* has calculated that the net out-flow of capital from India between July, 1947 and the end of 1952 was about £100 million. *The Statist* has apparently based its calculation on the information given in the Parliament in August last in reply to Starred Questions Nos 837 and 90 answered in the House of the People and the Council of States respectively on August 26 and 27, 1953. You will notice that the reply to the former question gives the total capital remittances during the above period as Rs 138.36 crores, while the statement submitted in reply to the latter question gives a figure of Rs 8.07 crores for the remittances received for investment during the above period. *The Statist* has apparently taken the difference of Rs 130.20 crores, which is approximately £100 million, as the net capital out-flow. While this figure may broadly re-

present the order of the capital out-flow, it is not quite accurate since the figure of investment assumed does not include investment received in the shape of capital goods or of profits ploughed back into business. Information regarding these forms of investment is unfortunately not available as a full-fledged census will be necessary to collect it. Moreover the Figure of capital remittances is an overall figure which includes figures not only of repatriation proper but also of transfer of savings made by foreign nationals at the time of retirement from the country, transfer made by emigrants and transfer made by Indian residents for other purposes.

2. As regards the figure of Rs 15.84 crores referred to by you this represents remittances made between July, 1947 and March, 1953 on account of business concerns sold outright or liquidated. The corresponding figure for the period July, 1947 to December, 1952 is Rs 15.62 crores and is only one of the elements going to make up the total