Chapter IV

The Partition Machinery.

The 3rd June Plan had mentioned that before establishing the partition machinery it was essential to ascertain the wishes of the people concerned. Therefore, according to para No. 9 of the 3rd June Plan the members of the Punjab Legislative Assembly representing the Muslim majority districts, indicated in the Appendix to the Plan, and the members representing non-Muslim majority districts met separately on 23rd June, 1947, to give their decision whether they wanted partition of the Punjab or not and whether they wanted to join the existing Constituent Assembly meant for India or the new Constituent Assembly to be established for Pakistan. The members belonging to the West Punjab gave their verdict in favour of the United Punjab and for joining the new Constituent Assembly meant for Pakistan. The members belonging to the East Punjab gave their decision in favour of partitioning the province and joining the existing Constituent Assembly. Since it had been laid down in the Plan that partition of the province was to be effected even if one section was in favour of it, it was decided to implement the decision of the members belonging to the East Punjab. After the announcement of the 3rd Plan, the Viceroy established a Central Partition Committee which was converted into the Partition Council after the Legislative Assemblies of the Punjab and Bengal had decided in favour of partition. It was the central body to decide the various issues connected with

partition. It had a steering Committee which supervised the work of partitioning in the various departments of the Central Government. The Partition Council decided the cases referred to it by the Partition Committees of the provinces to be partitioned.

The Punjab Partition Committee -

According to Section 9 of the Indian Independence Act which had been drafted on the basis of the 3rd June Plan special powers were given to the Governors of the provinces to be partitioned "for bringing the provisions of this Act into effective operation......... for dividing between the new Dominions and between the new Provinces to be constituted under this Act the powers, rights, property and duties and liabilities of the Governor General in Council or as the case may be of the relevant province which under this Act are cease to exist." This section was in force after the 3rd June, 1947, as it was provided in its para 3 viz. "This section shall be deemed to have had effect as from third day of June Nineteen hundred and forty seven." The Governor of the Punjab, exercising his powers under this Section, established the Punjab Partition Committee in order to implement the decision of the partition of the Punjab. The Punjab Partition Committee consisted of four members - two from the East Punjab, viz. Dr. Gopi Chand Bhargava and Sardar Swaran Singh, and two members from the West Punjab, viz. Mr. Mumtaz Daultana and Mr. Zahid Hussain. The Governor was the President.

The pattern of the functions and working of the

2. Indian Independence Act, Section 9(b).
Punjab Partition Committee was the same as that of the Central Government's Partition Committee which was converted into Partition Council after 26th June, 1947. The main function of this organisation was "to work out machinery for implementing the partition." A number of departmental committees were established to give suggestions for the division of personnel, assets and liabilities. One Steering Committee consisting of one non-Muslim member and one Muslim member, (Shri M.R. Sachdeva and Mr. Syed Yaqub Shah), was established in order to make liaison between the Departmental Committees and the Punjab Partition Committee and "to provide day-to-day guidance, advice and directions" to various expert committees. The members of the Steering Committee were to act as the secretaries of the Partition Committee and were to see that the recommendations of various committees were presented to the Partition Committee in a suitable form.

The Punjab Partition Committee was faced with a huge task, when it met for the first time on 1st July, 1947. In order to facilitate the work, the senior most officers, one Muslim and one non-Muslim, were selected from every department to constitute the Departmental Committee which was entrusted with the task of submitting proposals for examining the cadres of the persons of that department and submitting proposals for their allocation. Besides this, a number of Expert Committees viz, Budget Expert Committee, Physical Assets and

Liabilities Expert Committee, etc. were established on the pattern of the Central Expert Committee.

Reorganisation of Secretariats -

The Expert Committee working under the Central Steering Committee of Government of India had issued a directive that "every Government servant should be given the opportunity to select the Government he wishes to serve and cadres be separated accordingly." In the light of the directive, it was decided by the Punjab Partition Committee to give option to every Government official to express his choice whether he was to serve the West Punjab or the East Punjab. It was also decided that no official was to be victimised because of the intention expressed by him of serving a particular Government. For the reorganisation of the East Punjab and the West Punjab Secretariats the Governor of the Punjab appointed Shri Ram Chandra and Mr. Akhtar Hussain for reorganizing their respective Secretariats. This was done with the concurrence of the Punjab Partition Committee.

Punjab University, Lahore -

Since there was a clash of interests between the

8. D.P.P.C., page 9. Following programme was to be observed:-
(a) The offices to be in all offices and departments by the 15th July.
(b) Separation of gazetted and non-gazetted officers, office furniture, equipment including stationery, duplicating machines, typewriters, cycles etc. etc. to be completed by 20th July, 1947.
(c) Physical & separation of personnel, furniture and record and other equipment to be completed by 5th August 1947.
(d) Final separation of each part. Governments will begin to transact business independently by August 10, 1947. Secretariats and Headquarters offices to be closed except for urgent work from 10.8.47 to 14.8.47 afternoon.
representatives of the East Punjab and those of the West Punjab all the issues could not be decided amicably. One of the major points at issue, before 15th August, was the Punjab University, Lahore. The non-Muslim members of the Partition Committee wanted the partition of the University like that of the other provincial institutions, while the Muslim members argued in favour of maintaining the integrity of the University. The matter was referred to the Provincial Institutions Committee which stated that the "University being an autonomous body administered under its own Act was not at par with the provincial institutions directly controlled by the Government." It suggested that a special committee should be appointed from the Syndics and Fellows of the University to consider the question.

Keeping in view the recommendations of the Provincial Institutions Committee, the Partition Committee appointed an Expert Committee consisting of two judges of the High Court, one Muslim and one non-Muslim, (Justice Sharif and Justice Khosla), to study the legal implications of the Punjab University holding jurisdiction over both the parts of the Punjab or, alternatively, to suggest steps the Government might take to negotiate and give effect to the Partition of the University. The representatives of the West Punjab, however, argued that, before the Expert Committee dealt with the legal

aspect of the problem, a reference should be made to the
Central Steering Committee which worked under the Partition
Council as the problem effected not only the Punjab but

Bengal also and it was a problem of an all-India character.
The case was, therefore, referred to the Central Steering
Committee which in reply sent a note for their guidance. This
note made out a case against the partition of the University.
It stated, "the Punjab University is a body corporate incorporat-
ed under Section 2(3) of the Punjab University Act, 1882, and
under Section 3 thereof all the property, movable and immovable
vests in that Corporation. The seat of the Corporation is
unquestionably at Lahore. It is, therefore, the legislature
having jurisdiction at Lahore, which can determine the capacity
and the dissolution of the Corporation." It was argued that the
Punjab University was subject to the Legislative jurisdiction of
the West Punjab because according to the notional division Lahore
was in that region. The example of Bombay University was cited
and it was stated that after the separation of Sindh from the
Province of Bombay, the Bombay University continued to carry
on its activities in the new Province such as conducting
examinations and affiliating institutions in Sindh. It was
held that it made no difference whether East Punjab was to
be included in a State distinct from the State in which
West Punjab was included as there was no bar, legal or
constitutional, which precluded a corporation constituted in
one State from carrying on its activities in another State

11. A.P.P.C. Agenda Item No.1, for the meeting dated July,
19, 1947, page 83.
just as a corporation constituted by a Statute of the United States of America might carry on its activities in India. Section 4 A of the Bombay University Act 1928 was quoted as an instance "The territorial limits within which the powers conferred upon the university by this Act shall be exercised, shall comprise the Bombay Presidency (excluding Aden) and such Indian States and other territories as may, from time to time, be notified by the Provincial Government in the official Gazette."

In view of the note of the Central Steering Committee, the Governor of the Punjab and the representatives of the West Punjab held that the Punjab University should not be divided because it could exercise its jurisdiction over both the East a Punjab and the West Punjab. This view was not acceptable to the representatives of the East Punjab on account of the following reasons:— 1. A joint university arrangement could be made only by mutual consent of both the provinces. It was argued that this arrangement was bound to fail. 2. Without special legislation to the contrary the present University of the Punjab would stand dissolved on August 15, 1947, because according to the Punjab University Act of 1882 the Governor of the Punjab was to be the Chancellor of the Punjab University and the province of Punjab according to the Indian Independence Act "shall cease to exist and there shall be constituted two new provinces to be known the West Punjab and the East Punjab." 3. "The assets of the Punjab University have been created by the Joint

efforts of the people of the entire province, who because of political developments stand divided in two. Each one of these has a legal and moral right to the property now vested in the University of the Punjab." It was argued that the Punjab University Senate was the competent body to decide the partition of the University as according to Section 9(1) and (2) of Act of Incorporation 1882 "the Senate consisting of the Chancellor, the Vice Chancellor and Fellows shall have the entire management of and superintendence over the affairs, concerns and property of the university." The Senate had decided in favour of division of the Punjab University. The case of the Punjab University was, therefore, again discussed in the meeting of the Punjab Partition Committee held on the 6th August wherein the representatives of the West Punjab represented that "the Senate being a body with effective non-Muslim majority, its decision in this important matter should not be approved by His Excellency the Governor in his capacity as Chancellor without the concurrence of Partition Committee." The Central Steering Committee had already made itself very clear on the question of the Punjab University. In the beginning the representatives of the East Punjab were opposed to the views held by the West Punjab representatives and Central Steering Committee but subsequently they were reconciled with these decisions owing to the changed circumstances.

Punjab High Court -

The question of the division of the Punjab High Court, Lahore, was referred to the Central Steering Committee. In its communication dated July 4, 1947 the Committee gave following suggestions which were accepted by the Punjab Partition Committee:

1. The jurisdiction of Lahore High Court should from the date of partition be limited to West Punjab only.
2. A separate High Court having jurisdiction over East Punjab and the province of Delhi should be constituted.
3. Appointments to the new High Court should, as for existing High Courts, be made by His Majesty after consulting the Central Government of the Dominion.
4. It would be necessary to give an opportunity to the Judges, officers and the staff of the Lahore High Court to choose which of the two High Courts they wished to serve.
5. Both the East Punjab and the West Punjab High Courts should have their seats at Lahore and function in the buildings occupied by the Lahore High Court. This temporary arrangement should cease by 1st March 1948.

Administrative Set up in the disputed Districts -

Regarding the posting of officers and location of the East Punjab and the West Punjab Secretariats Sardar Swaran Singh raised the following points in the Punjab Partition Committee meeting held on July 7: "Some sort of agreement

was necessary for the posting of officers in the districts until the declaration of the award of the Punjab Boundary Commission. It was necessary to reach an agreement on the continuance of the two sets of offices of the Governments of the West Punjab and the East Punjab at Lahore pending the award of the Punjab Boundary Commission."

On July 9, M. Mumtaz Daultana raised an issue as to what arrangements were to be made for the administration of disputed districts and institutions situated therein. These districts were Ferozepur, Hoshiarpur, Jullundur, Ludhiana, Gurdaspur, Lahore, Sheikhpura, Gujranwala, Amritsar, Montgomery, Lyallpur, Multan, Sialkot and Hissar.

The Punjab Partition Committee could not settle the points as these could be decided only after the announcement of the award of the Punjab Boundary Commission. This issue was, therefore, referred to the Partition Council where it was discussed on July 17, 1947. Sir George Abell, who had visited the Punjab in order to watch the law and order situation and supervise the work of the Punjab Partition Committee, was specially invited to attend this meeting. In course of discussion, Lord Mountbatten expressed his desire to visit Lahore in order to study the issues for himself. He, therefore, visited Lahore on the 20th July and the following decisions were taken at his instance:

1. The Government of West Punjab should prepare a paper

plan to leave Lahore in case Lahore was allotted to the East Punjab. The East Punjab Government in any case should move to Simla. When it was told in the meeting that the Punjab Government Secretariat was to be closed on August 10, and was to reopen in two separated halves, the Viceroy suggested that 10th August would be a suitable date for the Government of the East Punjab to start functioning in Simla.

2. The Viceroy asked the Punjab Partition Committee to continue planning on the basis of the notional division as contained in the 3rd June Plan and the postings should be made accordingly except in the case of Deputy Commissioners and Superintendents of Police in the districts of Gurdaspur, Amritsar and Lahore.

3. In these three districts there were British Deputy Commissioners and Superintendents of Police. It was agreed that these should remain in control until the 15th August. Each side should be entitled to nominate personnel ready to take over from them. After the declaration of the Punjab Boundary Award, the personnel of the Government not entitled by the Award should be withdrawn.

The bold step taken by the Viceroy by his personal visit to Lahore cleared so many administrative hurdles of the Punjab Partition Committee and paved the way for its smooth working. One of the important decisions was to limiting the disputed area to three districts, viz. Lahore, Amritsar and

Viceroy's note, page 232.
Gurdaspur. In all other districts the work of transfer and posting was to continue according to the notional division.

**Current Administration**

In order to execute the decisions of the Punjab Partition Committee regarding day-to-day administration, a number of orders were issued by the Governor of the Punjab under Section 9 of the Indian Independence Act. These orders were gazetted on the 13th August, 1947 and they dealt with a wide range of subjects, such as the adoption of the laws in the East Punjab and the West Punjab; division of the contracts, deeds and covenants, transitory financial provisions for both the successor Governments, use of the Public Service Commission, admission of students belonging to other province in the Government training, research and educational institutions, payment of the salaries of civil officials who were to continue their services in either of the newly created provinces. An order was separately issued for the operation of Mandi Hydro-Electric Scheme by which supply of electricity was to continue as on the 15th August until 15th November 1947 and all expenditure was to be pooled together for the adjustment between the East Punjab and the West Punjab.

Since some of the very important items of financial adjustment could not be settled before 15th August, 1947, the

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All these orders were published by Extraordinary Issue of the Punjab Government Gazette dated August 13, 1947.
Governor-General prolonged the life of the Punjab Partition Committee by issuing Indian Independence Partition Council Order on August 12, 1947. According to this order the following procedure was to be followed:

1. The representatives of the Partition Committee were to be nominated by the Governor of the Province concerned. Different persons could be nominated for different meetings.

2. The meetings of the Partition Committee were to be held alternately in the capital towns of two provinces.

3. The Governor of that province in which the meeting to be held to act as Chairman of the Partition Committee.

The Arbitral Tribunal -

In order to settle the disputed issues which various provincial partition committees could not decide, the Governor General established an Arbitral Tribunal. Sir Patrick Spens, who was the Chief Justice of Federal Court, was appointed its Chairman. Arbitral Tribunal Order was issued on August 12, 1947. Justice Kania and Justice Mohammad Ismail were appointed representing India and Pakistan respectively. According to Section 4(1) of the Arbitral Tribunal Order the Tribunal was to decide cases referred to it before December 1, 1947 or with


the permission of the Chairman before January 1, 1948. The following decisions were made by the Partition Council regarding Arbitral Tribunal:

1. The Tribunal was to be located at Delhi or could shift its office elsewhere with the concurrence of both the Governments.
2. The Tribunal could appoint its own staff.
3. The parties on either side of the dispute would be represented by counsel.
4. The target date for completion of the work of the Tribunal was fixed to be March 31, 1948.

The Punjab Partition Committee referred to the Arbitral Tribunal thirtythree cases in all - seven cases were referred first and the twenty-six cases later. Besides these cases, the Arbitral Tribunal had to consider a number of orders issued by the Governor of the Punjab under Section 9 of Indian Independence Act. Similar orders had not been issued by the Governor of Bengal or Assam. In these orders certain assets and liabilities were apportioned or dealt with not provisionally as Governor General's Right of Properties Order indicated but in permanent nature. For instance The Punjab Partition (Training Research and Educational Institutions) Order 1947 issued by the Governor laid down a procedure for sharing of educational or training establishments by the two new

provinces. It necessarily required modification as willingness to share these institutions had disappeared. According to Sir Patrick (now Lord Spens) the Tribunal had the legal powers to override the provisions of these orders. But in the circumstances and particularly keeping in view the fact that these orders were in operation for several months when the Tribunal dealt with them, the Tribunal adopted the decisions or principles implied in these orders.

The Arbitral Tribunal decided the following important cases relating to the Punjab.

Division of Assets and Liabilities -

Apportionment of the assets and liabilities to the West Punjab and the East Punjab proved to be one of the most complicated problems. In the case of Bengal the parties had agreed that population alone should be the basis of the ratio for apportionment of assets and liabilities. Since both the East Punjab Government and the West Punjab Government had vital differences the case was referred to the Arbitral Tribunal where both the parties argued their cases. The representatives of the West Punjab argued that each part should get a share equal to its respective contributions to the general revenue. They argued that the East Punjab got only thirty-eight per cent of area and contributed only thirty-one per cent to the general revenue of the united Punjab and hence the East Punjab was only entitled to thirty-one percent of the assets. The representatives of the East Punjab contended that every citizen of the State should have the right to claim the equal share of the assets of the mother

land and ration for the division of assets should be based on the respective population of their parent province in the ratio of 44.4 and 55.6 per cents respectively, which should be made the basis for division of assets. As regards liabilities, it was decided that the same ratio should be applied to both assets and liabilities. The following award was given by the Arbitral Tribunal:— "The Tribunal considered that there was no reason to adopt exclusively either of these contended for by the parties but preferred to adopt figures based on average of figures for the population, the area and the contribution to revenue after such figures had been adjusted in view of final boundary award. The Tribunal accordingly awards that assets and liabilities of old united Punjab shall be adjusted for purpose of financial settlement in the ratio of 60 per cent for the West Punjab and 40 per cent for the East Punjab."

Financial Adjustment of Irrigation System —

There arose serious differences regarding the evaluation of irrigation systems established during the British regime and financial adjustments regarding the profits gained therefrom. The West Punjab Government argued that there were adjustments of specific loans attributable to particular assets and hence the payment of loans would be liability of the West Punjab Government against those assets. It was asserted that the capitalization of profit was not only improper but irrelevant according to paragraph 38 of Report of the Amery Tribunal which was appointed on separation of Burma from India. The East Punjab Government, on the other hand, contended that

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the East Punjab was entitled for the financial adjustments on the basis of the capitalized profit from the irrigation system of the united Punjab because the Punjab Government authorised and operated its irrigation system with regard to commercial considerations. The cost of construction of the system was agreed to be Rs. 41,56,19000. It was argued that over a series of years this investment had brought in a steady return of income varying from Rs. 4,95,85346 in 1936-37 to Rs. 6,6305,466 (36) in 1943-44. In this way the public money spent on irrigation system of the Punjab had been a lucrative investment and the system was a valuable asset of the united Province. Since the matter could not be decided, it was referred to Arbitral Tribunal on 30th November 1947 and argued on February 4, 1948. The East Punjab Government was represented by Mr. Harnam Singh, Mr. G.N. Joshi and Mr. Gurdev Singh and the West Punjab Government by Mr. Saleem and Mr. Mansur Qadir. The Chairman of the Arbitral Tribunal gave the following award:-

"The twice the book value of the irrigation system as a whole shall be taken as a value of the system and shall be apportioned between the West Punjab and the East Punjab in general ratio (viz. 60:40). Each Province shall bring into account the portion of the system lying within its area taken at twice its book value."

Unrealised Balances -

The issue of unrealised balances in respect of the crown land proved another bone of contention. On account of difference of opinion, the members of the Committee could not

36. Out of this portion of the West Punjab amounted to Rs.329,136000 and the portion in the East Punjab amounted to Rs.86545000. 
Ibid Reference No.1, page 2.
agree on the basic issues involved. The Muslim members (Mr. H.A. Majid and Mr. Abdul Hamid Butt) argued:- "When a purchaser of agricultural land in canal colony elects to pay the 50 per cent balance of the purchase money, he is put in possession in the capacity of a tenants so that the land continues to be owned by State. The result is that the land concerned will be the property of the State and not of the purchasers. The amounts previously deposited may be shared between the two provinces." "Land is a natural asset and if future recoveries of sale prices were claimed as divisible, it would be possible to extend the principle in contracts for quarrying mines which would yield royalties and rent for all years to come."

The non-Muslim member contended (Mr. K.S. Malhotra and Mr. Ram Chandra):- "The unrealised balance is an asset of the Punjab and the East Punjab is entitled to a share in it as in other assets. The deposit originally made by the purchaser was credited to extraordinary receipts and became a part of the general balance that will be divided between the two new provinces. Similarly the balance of the purchase amount when recovered should be shared by the East Punjab and the West Punjab. The East Punjab has claimed its share of large amounts of unrealised balances which are due to the Government of the Punjab on account of land sold outright or allotted to grantees prior to 14th August, 1947. Since all such transactions were contracted by the Government of the Punjab before partition,

the claim of the East Punjab is just and equitable.... In fact
the amounts not paid are in the nature of advances to purchasers
or grantees of land on which interest is also charged but for
purpose of adjustment the amount of sale proceeds, exclusive of
interest only should be taken into account."

The case of unrealised balances in respect of the
crown land was discussed in the Punjab Partition Committee on
the 8th August and it was decided to refer this case to the
Arbitral Tribunal. The case was accordingly referred to the
Tribunal on 30th November 1947 and the Chairman of the Tribunal
gave the following award:- "That an appreciated value of
Rs. 100 per acre of the crown waste lands subject to long leases
and temporary cultivation and of Rs. 50/- per acre of the
767103 acres shall be deemed to be the amount of appreciation
on the appointed day due to advent of canal irrigation and total
amount so calculated shall be apportioned between the two
Provinces in general ratio taken into account in financial
settlement accordingly."  

Seigniorage Charges -

The States of Bikaner, Patiala, Nabha and Jind used
to pay seigniorage charges to the Punjab Government for the
supply of water. Since these States were geographically on the

42. Following amounts were received every year:-
   (i) Rs. 161000 under Agreement with Patiala, Nabha and Jind,
   (ii) Rs. 200,000 under Agreement with Bikaner.
   Ibid, page 11 and 12.
side of the East Punjab the West Punjab claimed a portion of seigniorage charges to be enjoyed by the East Punjab after the partition on account of following agreements of the united Punjab Government.

1. **Chaggar** - Agreement with the Government of Bikaner for the supply of water from the Chaggar river and Otu reservoir.

2. **Sutlej Agreement** with the governments of Patiala, Nabha, Jind and for the supply of water from the Sirhind Canal. These States contributed to the cost of Head Works, the main line and the Patiala Feeder.

3. **The Sutlej Valley Project Agreement** of 1919 with governments of Bahawalpur and Bikaner. This Agreement allocated to the partner Governments the entire supplies as were surplus to the requirements of irrigation upstream of Ferozepur.

The East Punjab agreed to share the seigniorage with the West Punjab. But there arose difference in the method of payment. The West Punjab suggested that its share should be paid over year by year in a fixed proportion. The East Punjab suggested that these sums should be capitalised. The matter was, therefore, referred to Arbitral Tribunal which gave the following award in favour of capitalisation and stated that "sums received for seigniorage charges shall be capitalised on the basis of twenty years purchase and the total sum of Rs. 72,20,000 shall be apportioned in general financial settlement between the East and the West Punjab according to general (43) ratio."

The representatives of the East Punjab and the West Punjab could not agree on the financial adjustment regarding the irrigated forest plantations. More than 80,000 acres were under the Shisham and Mulberry plantation in Changa Manga, Chicha Watni, Khanewal, Daphar, Arifwala, Miranpur. All were situated in the West Punjab. The East Punjab wanted financial adjustments between the East Punjab and the West Punjab on account of these irrigated forest plantations, to which the West Punjab did not agree. This was, therefore, referred to the Arbitral Tribunal and its Chairman gave the following award: "The portion of the appreciated value on the appointed day of the two areas of 10,864 acres and 11,657 acres recently transferred to the Forest Department due to irrigation shall be taken at Rs. 60/- per acre and the portion of the appreciated value on the appointed day of the remaining 59,533 acres due to irrigation shall be taken at Rs. 75/- per acre. Total figure so calculated shall be apportioned between the two Provinces according to the general ratio and brought into the (44) general financial settlement."

Estimate of the Work -

It was a great achievement on the part of the Punjab Partition Committee to accomplish the huge task of partitioning the administrative machinery within a few months. For the speedy settlement of all complicated issues, considerable credit goes to the Governor of the Punjab, Sir Evan Jenkins, who himself looked into the minute details of the issues involved.

44. Ibid, page 7.
But for the prompt action and decision on certain vital issues by Lord Mountbatten the Punjab Partition Committee could not have worked smoothly. The systematic handling of every problem first by the Departmental Committee or Expert Committee, then by the Steering Committee and finally by the Partition Committee solved most of the problems. Before 15th August, 1947 only two major problems – regarding the Punjab University and the posting of officers in the disputed districts – were referred to the Central Partition Council. The cases in which differences were substantial or vital on account of clash of interests were subsequently referred to the Arbitral Tribunal by 31st December, 1947, and the Arbitral Tribunal decided all those cases by 31st March 1948. It was mainly due to the efficiency of the partition machinery that the East Punjab and the West Punjab were partitioned within such a short time. A striking comparison by Lord Mountbatten himself gives an idea of the speed with which partition was carried out. It had taken three years to separate Burma from India, two years to separate the province of Sindh from Bombay and two years to separate the province of Orissa from Bihar. The division of India, one of the biggest countries in the world was accomplished in two (45) months and a half.

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THE PUNJAB PARTITION (APPORTIONMENT OF ASSETS AND LIABILITIES) ORDER, 1947.

WHEREAS the Punjab Province is to be divided into two new Provinces to be known as West Punjab and East Punjab, respectively, in accordance with Section 4 of the Indian Independence Act, (10 and 11 Geo. 6, Ch. 30);

AND WHEREAS it is necessary to make provision for the apportionment of certain assets and liabilities of the Punjab Province between the two new Provinces;

NOW, THEREFORE, in exercise of the powers conferred by clause (b) of subsection (1) read with subsection (2) of section 9 of the aforesaid Act, and of all other powers enabling him in this behalf, the Governor of the Punjab is pleased to make the following Order, namely:-

1. This Order may be called the Punjab Partition (Apportionment of Assets and Liabilities) Order, 1947.

2. In this Order, unless the context otherwise requires -

(a) "the appointed day" means the fifteenth day of August, nineteen hundred and forty-seven;

(b) "new Province" means West Punjab or East Punjab or both West Punjab and East Punjab as the context may require.

3. In relation to the undermentioned items of property, namely:-

(i) Crown waste lands;

(ii) land under irrigated plantations under the control of the Forest Department;

(iii) bins and sheds used for the storage of foodgrains held on Government account;

(iv) Seigniorage charges levied by the Punjab Province from the States of Bikaner, Patiala, Nabha and Jind, on account of canal water; and

(v) canals owned by the Punjab Province;
the respective rights and liabilities of the two new Provinces shall be referred for determination to the arbitral body to which disputes between the Dominions of India and Pakistan are to be referred for arbitration.

4. (1) In relation to unissued stores and all such assets as are immediately moveable, or which can be moved without major structural alteration of immovable assets, wherever they may be situated on the appointed day, either of the new Provinces may present to the other new Province, on or before the 15th September 1947, a claim that physical apportionment should be made of any specified asset or assets, between the two new Provinces.

(2) Where the asset or assets in question are such that physical apportionment is not possible without detailed technical enquiry, each new Province shall nominate a representative, and the two representatives together with a third person acceptable to both parties, who shall be nominated as Chairman by both the new Provinces, shall form a Committee of Enquiry.

(3) The Committee shall enquire and report with all possible speed as to the feasibility of physical apportionment of the asset or assets in question, and in making its report, the Committee shall take particular account of the following factors, namely:—

(a) in the case of machinery or equipment (i) the capacity required by the new Provinces for direct Government work, such as the maintenance of Public Works required by the new Provinces, and the execution of projects over a period of five years, regard being had to other Government capacity available in the new Provinces; and (ii) the capacity surplus to (i);
(b) in the case of assets to which (a) cannot conveniently be applied, the direct needs of each new Province and the sources from which such needs can be met other than the asset or assets in question.

(c) the importance to both Provinces of economy and (in appropriate cases) of balanced working;

(d) the time and expenditure likely to be required to bring any assets and that may be moved into effective use;

(e) the time and expenditure likely to be required to buy and being into effective use similar assets from elsewhere;

(f) the time and expenditure likely to be required for any rearrangements in the Province in possession; and

(g) the disadvantages which will be suffered by the Province in possession, including loss and damage arising directly from the removal of the assets, the time and expenditure required for essential rearrangements, and general loss of efficiency.

(4) The report shall be submitted to the Government of the new Provinces with all possible speed, and if they do not accept it, and no other agreed settlement is reached on the matter in dispute, it shall be referred to arbitration in the manner provided in clause 3.

(5) Where the asset or assets admit of apportionment without detailed technical enquiry the provisions of sub-clauses (3) and (4) shall not apply, and the apportionment shall be effected in accordance with such agreement as may be arrived at between the two new Provinces, or if there is no such agreement by arbitration in the manner provided in clause 3.

5. (1) In order to provide financial resources to the two new Provinces sufficient to meet their immediate need on and after the appointed day, the Provincial Cash Balance as it stands on the appointed day shall be divided between the two new Provinces so that the share of West Punjab shall be two-fifths, and the share of East Punjab, three-fifths thereof.

(2) The securities specified in column 2 of the second Schedule hereto annexed, of the aggregate face-value of rupees ten crores shall be allocated to West Punjab and East Punjab as provided in columns 4 and 5, respectively, of the said Schedule
but account shall be taken of such apportionments in the general financial settlement made under clause 6, and the remaining securities shall be retained by the Reserve Bank of India, in trust for the two new Provinces and shall not be endorsed or negotiated otherwise than as part of the said general financial settlement.

6. (1) There shall be a general financial settlement between the two new Provinces, and such settlement shall relate to and include all the assets and liabilities of the Punjab Province, as they stand immediately before the appointed day, excepting assets and liabilities for the apportionment of which express provision is made by any clause other than clauses 3, 4 and 5 of this Order;

Provided that in taking account of the value of the assets of the Punjab Province, the value of the following items shall be excluded from consideration, namely:-

(a) forests (subject to any award of the arbitral body under clause 3 (ii));

(b) roads;

(c) contents of buildings other than buildings specified in the First Schedule hereto annexed;

Provided further that any award of the arbitral body given under clause 3 or clause 4, any allocation of financial liability by agreement between the two new Provinces, and any physical apportionment effected under clause 4, shall be taken into account in making the general financial settlement.

(2) The general financial settlement shall be made by agreement between the two new Provinces, or, failing agreement, by arbitration in the manner provided in clause 3.

7. Subject to the provisions of clause 6, all lands, works, forests, road, buildings and all moveable property of
every type including foodgrains held on Government account, but not including any unissued stores, contents of buildings, or other assets in respect of which a claim for apportionment has been or may be made under clause 4, being the property of the Punjab Province immediately before the appointed day, shall on and after the appointed day, be the property of that new Province in whose territory they are situated on the appointed day.

8. The balance in the State Provident Funds Account shall be divided between the two new Provinces in such manner that the amount held in respect of any employee of the Punjab Province, shall be transferred to that one of the new Provinces in or under which he is serving on and after the appointed day;

Provided that if such employee is serving in one of the new Provinces as a lent official, such amount shall be transferred to the other new Province.

9. The balance of Local Funds Deposits shall be divided between the two new Provinces so that the sum held in deposit on account of any local authority shall be transferred to that one of the new Provinces in the territory of which such local authority is situated.

10. The balance on account of Civil Deposits shall be divided so that each new Province shall take the amounts deposited in any treasury or Court or other office situated within its territory.

11. The balance in the Harijan Welfare Fund shall be divided between the two new Provinces as nearly as may be in the proportion of their respective Schedule Caste populations, as determined at the Census of 1941.
12. The balance in the Motor Transport Reserve Fund shall be divided between the two new Provinces in the same proportion as the Motor Vehicles owned by the Punjab Province are divided between them.

13. In relation to the Depreciation Reserve Funds, maintained for the following undertakings owned and operated by the Punjab Province, namely (a) Electricity Undertakings (b) Motor Transport Undertakings, (c) Printing Presses and (d) the Jallo Rosin Factory, the balance held in respect of each such Undertaking shall be deducted from the book value of such Undertaking, and the diminished value so obtained shall be the value to be placed upon such Undertaking in the computation of the aggregate value of the physical assets of the Punjab Province. The balance of such Funds shall be included in the cash balance to be apportioned between the two new Provinces under clause 6.

THE FIRST SCHEDULE

I - Industries Department

1. Tanning Institute, Jullundur.
2. Hosiery School, Ludhiana.
4. Mayo School of Arts, Lahore.
5. Industrial Research Laboratory, Lahore.
8. Surgical Instruments Centre, Sialkot.

II - Forest Department

III - Veterinary Department

11. Live Stock Farm, Hissar.
12. Punjab Veterinary College, Lahore.

IV - Medical Department.

14. Victoria Jubilee Hospital, Amritsar.
15. King-Edward Medical College, Lahore.
16. M Punjab Mental Hospital, Lahore.
17. Chemical Examiner's Laboratory, Lahore.
18. Provincial Bacteriological Laboratory, Lahore.
19. Mayo Hospital, Lahore.
20. Lady Willingdon Hospital, Lahore.
21. Punjab Dental Hospital, Lahore.

V - Jails Department.

22. Central Jail, Lahore.
23. Borstal Institution, Lahore.
24. Women's Jail, Lahore.
25. New Central Jail, Lahore.
27. Central Jail, Montgomery.

VI - Education Department.

28. Central Training College, Lahore.
30. Lady Maclagan Training College, Lahore.
31. Queen Mary's Women College, Lahore.
32. Lawrence School and College, Ghoragali.

VII - Agricultural Department.

33. Punjab Agricultural College and Research Institute, Lyallpur.
VIII - Public Health Department.

34. Vaccine Institute, Murree.
35. Vaccine Institute, Lahore.
36. Punjab Epidemiological Bureau, King-Edward Medical College, Lahore.

IX - Public Works Department.

37. Government School of Engineering, Punjab, Rasul.
38. Punjab College of Engineering and Technology, Lahore.
39. Soil Research Laboratory, Lahore.

X - Printing Department.


THE SECOND SCHEDULE

Statement showing the distribution of certain Government of India Securities held by the Punjab Government between the West Punjab and East Punjab.

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Particulars of securities</th>
<th>Face value of securities Rs.</th>
<th>(36%) East's share Rs.</th>
<th>(64%) West's share Rs.</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>3% Loan, 1955-55</td>
<td>2,96,44,000</td>
<td>1,06,71,840</td>
<td>1,89,72,160</td>
</tr>
<tr>
<td>2</td>
<td>3% Loan, 1957</td>
<td>1,99,38,000</td>
<td>71,77,580</td>
<td>1,27,60,320</td>
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<tr>
<td>3</td>
<td>3% Loan, 1959-61</td>
<td>2,00,00,000</td>
<td>72,00,000</td>
<td>1,28,00,000</td>
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<tr>
<td>4</td>
<td>3% Loan, 1963-65</td>
<td>2,35,00,000</td>
<td>84,50,000</td>
<td>1,50,40,000</td>
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<tr>
<td>5</td>
<td>3% Loan, 1966-68</td>
<td>69,18,000</td>
<td>24,90,480</td>
<td>44,27,520</td>
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<tr>
<td>Total</td>
<td></td>
<td>10,00,00,000</td>
<td>3,60,00,000</td>
<td>6,40,00,000</td>
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