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REPORT
OF THE
NORTH-WEST FRONTIER PROVINCE SUBJECTS COMMITTEE
1931



CALCUTTA : GOVERNMENT OF INDIA
CENTRAL PUBLICATION BRANCH
1931

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LIST OF MEMBERS.

Chairman.

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Members.

Nawab Sir Sahibzada ABDUL QAIYUM KHAN, K.C.I.E., M.L.A.

Mr. C. LATIMER, C.S.I., C.I.E., I.C.S.

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Mr. E. T. COATES, I.C.S.

Rai Bahadur LEHNA SINGH (*Secretary*).

NOTE.—The total expenditure incurred by the Committee, including expenditure on printing is estimated at Rs. 32,000.

*Resigned before commencement of public sittings of the Committee.

REPORT.

To

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL.

YOUR EXCELLENCY,

We have the honour to submit for the consideration of Your Excellency's Government our report on the classification of subjects in the North-West Frontier Province and the financial subvention that the province will require from central revenues.

PART I.—INTRODUCTORY.

2. **Appointment and terms of reference.**—Our Committee was constituted by a resolution of the Government of India in the Reforms Office, dated the 2nd May 1931, which is reproduced in Appendix I. The terms of reference were as follows :—

“ With reference to the report of Sub-Committee No. V of the Round Table Conference to make recommendations as to the classification of subjects in the North-West Frontier Province as provincial or central ; and on the basis of the classification proposed to examine the allocation of expenditure between central and provincial heads, and to report the extent to which it would be necessary to supplement the provincial revenues in order to meet the charges under the provincial heads.”

3. **Procedure and acknowledgments.**—We assembled at Peshawar on the 5th May, and on the same day issued a notice (Appendix II) inviting the assistance of the public in our enquiry. In response to this we received valuable evidence, and examined at Peshawar and Abbottabad a number of non-official witnesses, who put before us the views of the public in general or of particular interests. We also had the advantage of examining at length all the principal heads of departments of the local Administration. To all those, whether non-officials or officials who gave evidence before us, we desire to acknowledge our obligations.

We wish also to tender our thanks to the Hon'ble the Chief Commissioner for the arrangements made for our accommodation and convenience, and for the information freely placed at our disposal. We derived great assistance in particular in the examination of the financial details from Rai Bahadur Chuni Lal, Assistant Financial Secretary, who remained with the Committee throughout its stay in Abbottabad and was able to supply us with much essential information. Our task was greatly facilitated by the excellent work of our reporting and office staff. For the smooth working of the office arrangements, and for the ready assistance afforded on all occasions, we are indebted to the ability of our Secretary, Rai Bahadur Sardar Lehna Singh.

4. We commenced hearing evidence in Peshawar on the 11th May. On the 20th May we moved to Abbottabad and concluded the hearing of evidence on the 1st June. The report was signed on the 23rd June. In view of the probability of an early resumption of the work of the Round Table Conference, we were anxious to complete our task as rapidly as was consistent with a full examination of the problems remitted to us. It was thus inevitable that the time available for the non-official witnesses to prepare their statements should

be limited. The general principles, however, with which they were for the most part concerned, had been the subject of long thought and political discussion in the province, and in consequence the comparative shortness of the time available for marshalling the arguments did not prevent their being stated before us with full effect and cogency.

It was a matter of great regret to us that one of our colleagues, Mian Ahmad Shah, felt it his duty to resign his membership of the Committee before it commenced its public sittings. His letter of resignation and the Chairman's reply are printed in Appendix III.

5. Implications and object of our enquiry.—Our Committee was set up, in accordance with the recommendations of Sub-Committee No. V of the Round Table Conference, to work out certain important details within the main outline of the provincial constitution sketched by the Sub-Committee. For the purposes of our enquiry it is necessary to assume the broad constitutional scheme indicated by the Sub-Committee and duly noted by the Conference, and we wish to make it plain that our recommendations are throughout based on that scheme. It was not our task to examine the scheme or to comment on it. Some of our members might have preferred changes in one direction, some in another, but all alike have accepted the position that this is not the occasion for developing any such views, and that our recommendations must be confined within the general scheme described in the report of Sub-Committee No. V of the Round Table Conference.

The necessity for our enquiry arises from the fact that hitherto the North-West Frontier Province has been an administrative area rather than a political unit. Our task, as we understand it, is to make recommendations which will facilitate the emergence of the political form and substance of a province. For this purpose it is necessary to decide the precise sphere of administration to be entrusted to the new province, and to ensure that it shall have the main essential of a real existence, namely its own budget.

6. Popular feeling.—We have throughout been impressed by the general demand of the public that the new province should enjoy equality of treatment and status with the other provinces, and the natural resentment at any suggestion that the inhabitants of the province should be regarded as inferior to those of the rest of India. There has been a marked feeling of anxiety lest the special conditions in the North-West Frontier Province should be utilized to impair the reality of provincial autonomy. These considerations have been prominently before our minds, and we believe that our conclusions will be found to have taken full account of a demand with which we are in complete sympathy.

Views of Khans—In speaking of the general desire for a full measure of provincial autonomy, it is necessary to define more particularly the attitude of two important interests. The Khans of the province, some of whom have wielded great influence in the position of tribal leaders and who include many of the principal landholders, have not always been favourably disposed to political change. The representative of the Khans' Association, however, giving evidence before us emphatically supported the main political demand described above. He coupled that support with a strong plea for special representation for the Khans in the new legislative council, or even for the creation of a second chamber. We think it may be said that the Khans are prepared to give their

full support to the new constitutional proposals, provided their own legitimate interests and special position receive adequate recognition.

Views of Hindus and Sikhs.—The second interest to which we refer is that of the Hindus. Their percentage of the population is only 5·90. But their wealth and education give them an importance beyond what their numbers might suggest. This was recognized by the Sub-Committee of the Round Table Conference which proposed that they should be given in the provincial legislature a representation three times the figure to which they would be entitled on a population basis. One section of the community find it difficult to reconcile themselves to the idea of an effective provincial Government dominated, as it must be, by a large majority of Muslims. Their apprehensions have taken the form of suggesting restrictions on the power of the provincial Government. Some would like official control to be maintained by a constitution on Morley-Minto lines. Others propose to withdraw from popular control in the province some of the most important functions of government, and to restrict the provincial Government practically to what have been under dyarchy the transferred subjects. Others by a system of divided control of the budget would place all effective power in the hands of the central Government. But these views are far from typical of the whole community. There is another important and influential section representing, we believe, a growing proportion of the community, which recognizes what the nature of the new constitution must be and is prepared to accept it, provided that the community receives, in full, safeguards similar to those that will be enjoyed by minorities in other provinces.

We believe that the attitude of the Sikhs, who form 1·76 per cent. of the population, is similar to that of the Hindus.

PART II.—THE CLASSIFICATION OF SUBJECTS.

7. Observations of Sub-Committee of Round Table Conference on classification of subjects.—The first part of our task is to make recommendations for the classification of subjects in the North-West Frontier Province as provincial or central. The observations of Sub-Committee No. V on this point are contained in paragraph 5 of their report, and are as follows :—

“ The Sub-Committee recommends that, as in other Governors’ provinces, there should be a classification of provincial subjects entrusted to the charge of the provincial Government. The precise discrimination of subjects between the Centre and the North-West Frontier Province will require careful investigation, if necessary, by a specially constituted committee following broadly the lines of the classification in other provinces. Subject to the findings of such a committee, the Sub-Committee contemplates that the charge of the ordinary civil police in the five administered districts, excluding the frontier constabulary, will pass to the provincial Government of these districts, but in view in particular of the close relation of the province with matters of defence and foreign policy, the Sub-Committee considers it essential that all matters of all-India importance and all matters connected with the control of the tribal tracts, for instance, the frontier constabulary, frontier remissions and allowances, and strategic roads, should be excluded from the purview of the provincial Government and classed as central subjects. The broad point is that in making the dividing line between central and provincial subjects, regard would be had to the need for classifying as central certain subjects of all-India importance

peculiar to the present administration of the North-West Frontier Province which could not properly be entrusted to the provincial legislature.”

8. Comments on suggestion of closer relations between settled districts and tribal territory.—The intention of the Sub-Committee is that the five settled districts should constitute the new Governor's province and that the tribal tracts should continue to be the concern of the Centre. We fully accept this principle, and indeed have made it the foundation of our recommendations on the classification of subjects. We are aware that there are some who look forward eventually to the establishment of closer relations between the settled districts and the tribal territory, and there is nothing in our recommendations to thwart such a development, should the future course of events tend in that direction. But there should be no misunderstanding of certain essential facts. In the first place some of the area included in what is generally known as the tribal territory is governed by rulers possessing a considerable measure of sovereignty in their internal affairs. Should they at any time desire closer relations with British India, they would doubtless enter the Federation on the same terms as Indian States. We have heard the view expressed that they could, while preserving their own rights and authority, enter into federal relations with the new Governor's province. This appears to us inconsistent with the scheme of federation contemplated by the Round Table Conference. If these rulers desired federation, they would federate with India as a whole and not with a particular component of the Federation. In the second place the tribes not subject to such rule could not be included in the government of the settled districts unless they desired to be included and were prepared to submit themselves to the ordinary provincial administration and to pay provincial taxes. They would moreover in that event be entitled to their full share in the government of the province. The provincial Government could not expect to take over the functions of the central Government and supervise the affairs of these outlying territories. It is obvious that at present the tribesmen show no disposition to incorporate themselves in the administration of the settled districts. Indeed, should they ever wish to join the federation of India it might be rather as a separate unit or units than through amalgamation with the settled districts.

9. Principles for determination of provincial subjects: Law and order.—In considering the division between provincial and central subjects, it is not necessary to concern ourselves with the justification for the existing list of central subjects. It is clear that subjects which are central throughout India must be central also in the North-West Frontier Province. In cases not covered by the existing central list, the essential principle of division must, in our view, be that matters which primarily concern the five settled districts should be provincial and those which primarily concern tribal territories should be central. In stating this principle we have not overlooked the reference in the report of the Sub-Committee of the Round Table Conference to the necessity of classifying as central all matters of all-India importance. We recognize that there are certain elements in the provincial administration which cannot be without their all-India interest. The most important example is the administration of Law and Order. Internal disturbances within the administered districts must have an unsettling effect on the tribal tracts, and may thus create a situation which reacts at once on the

question of defence. The scheme, however, of the Sub-Committee of the Round Table Conference contemplates that the Governor should be the president of his own Cabinet, and this provision would afford a sufficient assurance that the all-India interests in the preservation of peace along the border will not be overlooked. On the other hand, to deprive the provincial Government of control over Law and Order within its provincial boundaries would introduce a fundamental differentiation between the North-West Frontier Province and the other provinces of India. It would be inconsistent with the desire of the Sub-Committee that the North-West Frontier Province should be given the status of a Governor's province, and with the aspirations of the inhabitants of the province and the expectations which they have legitimately formed. A provincial administration not in charge of its own Law and Order would be but half developed. The arguments against making Law and Order a central subject were stated with conclusive force by the Indian Statutory Commission in paragraph 63 of Volume II of their report. They said :—

“ Police administration cannot be isolated in this way. The subject of Police does not constitute a department in the same sense in which the subject matter of an education department, or a medical department, or a roads department, may be said to be departmental. Every branch of provincial government is involved ; a reasonably efficient police administration is the condition under which all departments may operate : it is the atmosphere without which the departmental activities of the province cannot breathe. We feel sure that we shall be confirmed by experienced official opinion when we lay it down that Law and Order must be a provincial subject, whatever be the degree of supervising control which the Centre may exercise.”

We regard these considerations as decisive. Law and Order in the North-West Frontier Province, as elsewhere, must be a provincial subject. And as there is no question of dyarchy, it must be a provincial subject in the full sense of the new constitution.

We are conscious that some, while accepting this argument as the logical outcome of the constitutional position, may yet feel practical misgivings as to the effects of entrusting Law and Order in the North-West Frontier Province to the new provincial Government. On this point the evidence of the Inspector-General of Police is particularly interesting. Looking at the matter from the practical aspect of conditions in the province he definitely recommended that Police should be a provincial subject coming under the administration of a minister. He pointed out that the police depend on the co-operation of the public for the enforcement of the law. The arguments he used were very similar to those stated by the Statutory Commission in paragraph 63 of Volume II of their report as, in their opinion, justifying the transfer of Law and Order in the Governors' provinces. The Statutory Commission pointed out that the transfer of other subjects without transferring the police “ would concentrate on the administration of Law and Order the hostility of all parties in the provincial councils who are looking forward to more complete self-government, and who find this one matter kept in reserve as a target for irresponsible criticism.” The significant point is that those very arguments, which led the Statutory Commission to propose the transfer of Law and Order in the Governors'

provinces are advanced by the Inspector-General of Police in this province as justifying precisely similar treatment. The time has passed when it can be supposed that political feelings and political tendencies in other provinces of India have not their counterpart in the North-West Frontier Province, and it seems to us clear that the arguments which have prevailed for the transfer of Law and Order in the other provinces must prevail here also.

10. Our conclusion, therefore, is that the all-India interest in certain aspects of the provincial administration must be secured by the special position assigned to the Governor, and that it should not be made a ground for classifying any normal provincial subject as central. There are, however, certain administrative problems which are peculiar to the North-West Frontier Province, and for which other provinces afford no parallel. These it is necessary to examine in detail.

11. **Frontier constabulary:—its origin and functions.**—The first of these problems is presented by the frontier constabulary. This force, the strength of which is now about 4,600, was formed in 1913 for the better protection of the border between the tribal tracts and the settled districts. The force is organized on military lines, but its superior officers are drawn from the Indian Police Service and are posted specially for periods of duty with the constabulary. It is located for the most part in a chain of posts just inside the border. There are certain reserves which are in some cases quartered in cantonments.

12. The proposals and orders for the constitution of the frontier constabulary made it clear that they would be “entirely separate from the civil police”, that their duties would resemble “those of the Kurram militia” and that they would not do “ordinary police or civil work”. Their duties were defined to be “the watch and ward of the district border, to collect information and to serve as the medium of communication with the tribes under the control of the Deputy Commissioners”. In Section 3 of the North-West Frontier Constabulary Act, 1915, the force is said to be maintained “for the better protection and administration of the external frontier of British India”. The watch and ward of the border, therefore, is the essential function of the constabulary. The Chief Commissioner has informed us that its duties may be more particularly defined as the patrolling of the border with the object of preventing raids and capturing raiding gangs and outlaws, the maintenance of border defence up to the point where the intervention of regular troops becomes necessary, and the collection of early and accurate information regarding border events and the movement of outlaws.

We understand that the recent committee appointed to examine tribal control and defence held that the efficient and loyal performance of their duties by this corps has been an important factor in securing the comparative immunity of the settled districts from raids during the past seven or eight years.

13. **Arguments for central control.**—These being the duties of the force, there can be little doubt that the responsibility for its control should be central. The central Government will be responsible, through its forces operating across the border such as the militias and the Khassadars, and by the influence it can bring to bear on the tribes, for the protection of the settled districts from trans-border raids. The frontier constabulary is clearly a part of the complex organization which is directed to this object. If the provincial

Government took charge of the frontier constabulary, the responsibility for border defence would be divided between the central Government, which would still be responsible for activities beyond the border, and the provincial Government which would be responsible for defending itself along the border. Such a division of responsibility must lead to friction and inefficiency. The Chief Commissioner is clearly of opinion that a force whose primary function is the protection of the border must be centrally controlled and centrally paid.

14. **Necessity to define functions clearly.**—We have found in general among the non-official witnesses, some uncertainty as to what the functions of the frontier constabulary really are. The facts that some of the force is stationed in the cantonments of Peshawar and Bannu within the settled districts, and that practically without exception their posts are inside the border; that the definition of their duties in section 15(1) of the North-West Frontier Constabulary Act, 1915, is based in part on the wording of the Indian Police Act and includes the words “to detect and bring offenders to justice”; that they are officered by members of the Indian Police Service; and finally that during the disturbances of last year they were in many cases used to supplement the police, have created an impression that they are in effect part of the civil police force. This is emphatically not the case, and we think the real function of the frontier constabulary should be made more clear by an amendment of section 15(1) of the Frontier Constabulary Act. It is of course true that they may be required to patrol within the district border; that in pursuit of raiders they will operate within the districts; and that when a raiding gang has been located within a district it will be open to the Deputy Commissioner to call upon them to supplement such armed police as he may have available. This, however, does not affect the point that the function of the constabulary will be to deal with raiders from across the border, and not with ordinary crime in the districts. Again, it may be that in an internal emergency with which the civil police are unable to cope, the district authorities will have to call on the frontier constabulary for assistance as an alternative, or in addition, to calling on the troops. But this will be just as much outside their normal duties, as it is outside the normal duties of the troops. By training and equipment the frontier constabulary are no better fitted than are troops to perform police duties, and it is necessary that they should not be looked upon as a normal police reserve. This point has been brought out clearly in the report of the committee which examined last February proposals for an increase of police in the North-West Frontier Province. They said:—

“The Committee regard it as fundamental that the police force of the province should be capable of dealing with, and most desirable of all, of preventing any outbreak of disorder within the settled districts. That is to say, police strength should be adequate to bring under control by police methods any police situation that can reasonably be expected to arise. This ability the police should possess independently of the Army, which is maintained for quite a different purpose, and independently of the forces maintained for border defence, since these latter are likely to be required elsewhere precisely at the moment when the police, if not sufficiently strong themselves, would be likely to invoke their assistance. It follows therefore that in the matter of their armed reserves the police should be made self-contained and

self-dependent. The use, before the proper stage, of either troops or frontier constabulary invariably provokes resentment. They are not trained in police work or in the use of the *lathi*. They rely solely on armed force; and they can only use it effectively if called on to fire. Their use, therefore, should be resorted to in a last emergency only."

15. Views of Inspector-General of Police examined.—The Inspector-General of Police in his evidence before us urged that the frontier constabulary should be placed under the general control of the Inspector-General and thus of the provincial Government. These views are contrary to those of the Chief Commissioner which we have already quoted, and it is clear from what has been said above that they are not shared by us. The Inspector-General's view is really based on the principle that the settled districts should be able to defend themselves from all trans-border raids, and that the frontier constabulary should be the first line of defence. We think this would be putting too heavy a burden on the province, and moreover one which it could at the best only partially discharge. It was laid down by Sir George Roos-Keppel when the frontier constabulary was formed in 1913, that they should "guard the border working in close communication with the militias occupying the trans-border tracts". Though we do not under-estimate the importance of the co-operation of the constabulary with the civil police in the pursuit of raiders and in exchanging information relating to raiders, we think that it would be definitely a step in the wrong direction to assimilate them with the cis-border instead of with the trans-border forces. We recommend, therefore, that the frontier constabulary should be classed as central.

16. Roads.—The second problem peculiar to the North-West Frontier Province is that of the roads. The five districts are well equipped with metalled roads, the total length being 962 miles. Of these 468 miles are roads considered to be of military importance, and the Pabbi-Cherat road, 23 miles long, is treated as a purely military road. In the case of roads classed as of military importance, if the standard required by the military is higher than the ordinary civil standard, the military budget bears one-third of the cost of maintenance, and the civil budget two-thirds. If the standard required by the military is not higher than the ordinary civil standard, the whole cost of maintenance falls on the civil budget. The civil expenditure on roads of military importance is debited to the special head 29-A. The expenditure on roads not of military importance within the five districts is debited to 41-Civil.

17. All work on roads and buildings carried out by Military Engineering Service.—The provincial administration has no civil establishment of its own for the construction and maintenance of roads and buildings. All the work which in an ordinary province would be done by the Public Works Department (Buildings and Roads), is carried out on behalf of the civil administration by the Military Engineering Service, which charges the civil administration their proportionate share of the establishment actually employed on the North-West Frontier. The percentage of establishment charges to the cost of the work on an average from the years 1926-27 to 1929-30 has been 15·5. The civil work is in charge of a military Deputy Chief Engineer who is also Secretary to the local Administration in the Public Works Department (Buildings and Roads). This arrangement has been justified in the past on various

grounds. The civil administration has been saved from the necessity of organizing a small Buildings and Roads establishment of its own, and the work has been done with a high standard of efficiency at a cost little different from that which would have been incurred by the employment of a special civil staff. The military on the other hand have had the advantage of carrying out by their own staff and on their own standards all work on roads of military importance. They have also been able to employ economically the large military engineering staff which they would in any case have been compelled to maintain on the North-West Frontier.

18. **Question whether roads should be provincial or central.**—The primary question on which we have to reach a conclusion is whether the roads in the five settled districts should be treated as provincial or central. All roads are in other provinces provincial, subject to directions that may be given regarding roads of military importance by the Governor-General in Council under Devolution rule 12-A, which runs as follows :—

“ The Governor-General in Council shall have power to declare that any road or other means of communication is of military importance, and to prescribe in respect thereof the conditions subject to which it shall be constructed or maintained, including the amount of expenditure to be from time to time incurred upon such construction and maintenance by the Governor-General in Council and by the local Government respectively :

Provided that before prescribing under this rule the sums to be expended by any local Government, the Governor-General in Council shall consult the local Government or local Governments concerned.”

This system, we consider, should be adopted in the North-West Frontier Province. We have been informed that the powers conferred by Devolution rule 12-A have not in fact been exercised in regard to any roads in a Governor's province. Such roads would be only of indirect military importance. It appears that the rule was intended rather for roads of the nature of some of those in the five settled districts, whose military importance is indisputable. We see no reason, therefore, for going further and recommending that these roads should be classed as central. The powers given to the Governor-General in Council by Devolution rule 12-A appear ample. Roads which are of military importance do not on that account cease to be of interest to the civil administration and the civil population, and we consider that the provincial Government should not be excluded from all concern in roads of provincial importance. We think it right, therefore, that the roads within the settled districts, whether of military importance or not, should be classed as provincial. There may perhaps be roads of such a purely military character that they are paid for entirely from the military budget. There is, in fact, in the settled districts the road already mentioned from Pabbi to Cherat. If the military authorities desire to treat this, or any other roads which are of no interest to the civil administration as distinctively military roads paid for entirely by the military, we should see no objection. With the exception of such military roads, we recommend that all roads within the settled districts should be treated as provincial under item 6 (b) of the list of provincial subjects.

19. **The agency for construction and maintenance of roads: views of the 1927 Committee.**—We come now to the question of the agency by

which the roads should be maintained. This difficult question arises inevitably from a consideration of the practical consequences of the foregoing recommendation. As we have explained above, the present system is that the work on all roads and buildings within the settled districts is entrusted to the Military Engineering Service as the agent of the civil administration. We pointed out the advantages which this system has afforded in the past, but it has not been without its disadvantages. In 1927 the Chief Commissioner put forward proposals for the transfer of certain roads and buildings from the charge of the Military Engineering Service to that of the Public Works Department. These proposals were examined by a strong expert committee consisting of the (military) Secretary, Buildings and Roads Branch, North-West Frontier Province, the (civil) Secretary for Irrigation, North-West Frontier Province, the Chief Engineer (Buildings and Roads) with the Government of India, and the Consulting Engineer to the Government of India, Irrigation. They found that the Chief Commissioner had not that full control over the road development of the province even in the settled districts which, as head of the administration, should be his, and that so long as all civil works, whatsoever their purpose, are retained in the charge of the military authorities, it is inevitable that those of military and political importance should receive preferential treatment to the detriment of those required merely to meet the needs of the civil population. The present Secretary in the Buildings and Roads Branch (Colonel Haswell) gave it as his opinion in evidence before us that no such differentiation in fact occurred, and indeed that it was difficult to see how it could occur. The Committee of 1927, however, stated positively that "there is abundant evidence that this has happened in the past, and is still happening". We think there are dangers that the system would produce such tendencies. Other considerations which weighed with the 1927 Committee were that, in the event of military operations on the Frontier, the civil work must be neglected, and that it would be advantageous to the efficiency and development of irrigation in the province to establish a self-contained Public Works Department organization carrying out both irrigation and buildings and roads works. On these grounds the committee recommended the constitution of a self-contained Public Works Department organization, as indicated above, and the transfer to it of all roads and buildings within the settled districts, except the roads leading to the trans-border area from main rail heads and the buildings upon them.

20. Considerations affecting the Irrigation Department.—The general considerations which influenced the 1927 Committee appear to us to have lost none of their weight. The argument, however, connected with the proposed amalgamation of the Irrigation and Buildings and Roads staff has taken a different form. The Committee of 1927 pointed out the importance of transferring to a properly constituted engineering staff the charge of the numerous irrigation works which were at that time administered by the district authorities. This could not, however, be done without creating new Public Works Department divisions outside the Peshawar district, in which the whole work of the Irrigation Department was at that time concentrated. It appeared to them that the economical solution would be to open the necessary divisions for the charge of roads and buildings in the other districts, and that these divisions should take over in addition the district irrigation works. The situation, however, is now changed. The so-called civil canals have recently been

transferred to the Irrigation Department, and in consequence the staff of the Irrigation Department has been increased by one superintending engineer and two divisions. The present Chief Engineer estimates that it would only be necessary to add one superintending engineer and two more divisions in order to take over the whole of the civil roads and buildings in the province. The position, therefore, is that there is in existence an irrigation staff for the supervision of the civil canals which, in the nature of things, cannot be fully employed. If the buildings and roads were transferred to the charge of the Public Works Department the result would be precisely the same kind of economy in the irrigation staff which the military budget at present secures through the employment by the civil administration of the military engineering staff. Financially it becomes a question whether this economy arising from the full utilisation of staff should be enjoyed by the provincial budget or by the military budget. From the point of view of our enquiry, it seems desirable that the economy should be made in the provincial budget. The estimates placed before us indicate that the economy on the provincial figures would be approximately Rs. 1,80,000 *per annum*.

21. **Considerations arising from the new constitution.**—There is a further consideration in favour of the transfer of roads and buildings to civil agency which could not be present to the minds of the 1927 Committee. We think that a provincial minister might find considerable practical difficulties in working his department through a military agency. If, in the past, the Chief Commissioner has found that this system tended to hamper his policy, it must be expected that the minister would find this to an equal or greater degree. But apart from such inconveniences in the sphere of policy and administration generally, it might be held that the system of control of the staff would be difficult to reconcile with the position of a minister. If, for instance, complaints of unsatisfactory work were made, the Minister could institute no enquiry of his own. He could merely quote the opinion of the Deputy Chief Engineer, with which he might or might not agree, but which he would be bound to accept. He would have no power to deal with any of the staff, superior or inferior. It seems to us likely that a system of this kind might lead to serious difficulties with the provincial legislative council.

22. **Consideration of military interests.**—On these various grounds, we have been led to examine the possibility of transferring all buildings and roads in the five settled districts to civil agency, and to see whether military interests would be sufficiently safeguarded by conditions laid down under Devolution rule 12-A. We consulted the General Officer Commanding, Northern Command, on this point. He has informed us that the question of transferring roads of military importance in the settled districts to civil agency raises important principles on which the policy can only be stated by Army Headquarters. He has made it clear, however, that in his view these roads should continue to be maintained by military agency. The time at our disposal has not enabled us to obtain the views of Army Headquarters, though the matter has been referred to them by the General Officer Commanding, Northern Command. We must accordingly make our recommendations without full knowledge of the military point of view. For ourselves, we should have been disposed to think that military requirements would be sufficiently protected if, as contemplated by Devolution rule 12 A,

definite standards of maintenance were laid down and definite sums to be expended on maintenance prescribed, and if the military authorities were given full facilities for inspecting roads and satisfying themselves that they were being properly maintained. The provincial Government will have a competent engineering staff, and the Governor, as representative of the central Government, will be able to see that the roads are maintained up to the standard prescribed. But we are conscious that there may be military considerations, which we have not appreciated, which would render such an arrangement in some cases not fully satisfactory. We are therefore prepared to contemplate the possibility that it may be necessary to prescribe under Devolution rule 12-A not only particular standards of maintenance, but in the case of certain roads maintenance by military agency.

Should this decision be necessary, we would still deprecate, for the reasons developed above, the retention of the Military Engineering Service as the agency for roads other than those specially required to be maintained by the military, and for provincial buildings. We are definitely of opinion that these should be entrusted to a civil Public Works Department. We recognize that this would involve a certain duplication of staff, but this would not be serious if the roads to be maintained by military agency were limited to those in which special military considerations were involved. We have already explained that, if the point at issue is merely the efficiency of the maintenance of the roads, the provincial Government should be able to fulfil the requirements. But there may be cases in which, for reasons other than efficiency of maintenance, it is desirable that particular roads should be in charge of a military staff. For instance, the 1927 Committee proposed that the roads leading from the main rail heads into the trans-border area should remain under the Military Engineering Service. On this principle, the crucial road, which is known as the North-West Frontier Road, leading from Peshawar through Kohat and Bannu to Dera Ismail Khan, would be assigned to civil agency. The 1927 Committee pointed out that this was the main arterial road of the districts which it traverses. They said :—“ It is maintained only to the standard of an ordinary civil road, the military transport using it at ordinary times is negligible when compared with the civil traffic, and the whole cost of its maintenance is defrayed from civil funds..... It is not as if any exceptional standard of maintenance were observed upon the road in question ; so far as we have been able to inspect it, the standard is lower rather than higher than that adopted on an ordinary Public Works Department provincial road.” This was the opinion recorded by a committee of four engineers. Unless this road is placed in charge of the civil Public Works Department, it is evident that their operations in the Kohat, Bannu and Dera Ismail Khan districts would be piece-meal and uneconomical, and the whole scheme for substituting civil agency for the Military Engineering Service would be seriously affected. The relatively short length of this road which passes through tribal territory between Peshawar and Kohat would be dealt with on the principles we have suggested elsewhere for the trans-border area of the Upper Swat Canal. If military agency is restricted to the class of roads proposed by the 1927 Committee, the total mileage so treated would not be great, and the roads concerned would all be near the border. In these circumstances, the civil Public Works Department would have an adequate and satisfactory sphere of work.

23. Summary of recommendations regarding roads.—To sum up, our recommendation amounts to this: that all roads within the settled districts should be treated as provincial under item 6 (b) of the list of provincial subjects, and that, unless there are strong military reasons to the contrary, they should all be in charge of the civil Public Works Department, standards being laid down for the construction and maintenance of roads of military importance under Devolution rule 12-A. If, on the other hand, it is considered necessary that certain roads should be maintained by military agency, these should be limited to cases in which special military considerations are held to justify this exceptional treatment. In particular, the North-West Frontier Road should be maintained by the civil Public Works Department. The efficiency of this road and of other roads of military importance not maintained by military agency would be safeguarded by the use of Devolution rule 12-A. If there are any roads of purely military importance, the whole expenditure on which is borne by military funds, they may be treated as central and regarded as coming under entry 1 (a) of the list of central subjects, "Defence of India".

24. Frontier remissions.—The Sub-Committee of the Round Table Conference referred specifically to "Frontier remissions and allowances" as matters which would naturally be classed as central subjects. By "frontier allowances" we understand them to mean the tribal allowances which are granted to the trans-border tribes for various considerations connected with the control of the border. These, in accordance with our main principle of classification, will obviously be central. The case of "frontier remissions", however, requires careful consideration. These are deductions from the normal land revenue assessment of certain villages near the border. The principle of these remissions was adopted in 1870 when the first regular settlement of the Peshawar district was undertaken. Their total amount at present is approximately Rs. 50,000, and the figure tends to diminish. The reasons which have been given for the grant of these remissions of land revenue are as follows:—

1. To encourage the settlement of members of border clans within our territory.
2. Because the residents of border villages are expected to aid in the protection of life and property from raids, and to act as militia levies in case of hostilities from independent clans.
3. The obligation which falls on them to entertain trans-border tribesmen.

The first of these reasons has now ceased to operate, and we understand that the third is no longer of any great validity. The second remains, but the obligations of the border villages to protect themselves, or at any rate their neighbours, are tending to diminish with the development of more regular forms of border defence. In addition to the reasons formally assigned for the grant of these remissions, it has been suggested to us that in fact there is in them an element of compensation for the dangerous and exposed situation in which some of these villages are placed, which makes it reasonable that the full revenue assessment should not be demanded from them.

The subject of land revenue will, in accordance with the principle of our recommendations, be provincial. As frontier remissions take the form of a reduction in land revenue, proposed by the Settlement Officer, they may naturally be regarded as an incident of the land revenue administration. Moreover, their grant or resumption affects provincial revenues. On the other hand, it cannot be denied that there is in the system an essential central interest. The existence of these remissions has in the past been used to punish border villages or particular members of them for sympathy with hostile elements across the border, or misconduct in relation to border duties. We are thus faced with the position that both provincial and central interests are concerned in the system. This difficulty can be surmounted owing to the position which the Governor will occupy both as head of the provincial Government and also as locally responsible for the defence of the border and relations with the tribes. We recommend that, as this matter is on the face of it an incident of the land revenue administration, and as provincial opinion is clearly concerned and should not be excluded, the system of frontier remissions should be treated as part of the provincial subject of land revenue. At the same time, we think that the Governor should be expected to see that resumptions are not made which would affect the security of the border, and we anticipate that if, owing to misconduct connected with tribal affairs, he wished to resume certain remissions, he would have no difficulty in securing the concurrence of his Government. Indeed, in the case of any failure in the defence of the border, the sufferers will be the inhabitants of the settled districts. There is no reason therefore to suppose that their representatives would be anxious to go against the policy of the Governor in this matter.

25. Jagirs and military reward grants.—There is one other feature of the land revenue administration which requires special mention. A large number of jagirs have been granted to individuals in the past for services of various kinds rendered to the central Government. Some date from as far back as the time when the frontier districts were first occupied by the British. There are also certain military reward grants given to ex-soldiers. The total of the jagirs amounted in the year 1930-31 to Rs. 3,84,785, and of the military reward grants to Rs. 15,025. It is presumed that some general provision applicable to all India will be made in the new constitution for safeguarding the existing rights of jagirdars and those to whom military rewards have been granted. But we desire to make it plain that in our opinion jagirs and grants of this character should not be liable to resumption or modification except under the orders of the central Government.

26. Joint establishments for central and provincial subjects.—The remaining problems of classification arise from some inevitable combination of establishments dealing with trans-border and cis-border affairs. In all such cases our guiding principle has been not to attempt an actual division of establishment where administrative considerations clearly demand unity, but at the same time to recognize where the ultimate responsibility lies, and to leave it to the head of the province, who will combine in his own person the functions of Governor of the settled districts and Agent to the Governor-General for the tribal tracts, to harmonize and adjust the practical working of the central and provincial spheres. We proceed to make our definite recommendations

for the main cases in which joint establishments for the working of the central and provincial subjects are essential.

27. (a) **The Upper Swat Canal.**—The headworks of the Upper Swat Canal and about 1/11th of the irrigated area lie beyond the border. The main part of the canal, however, and of the irrigation is in the Peshawar district. It is clear that the canal must be operated as a whole, and that it is not possible to constitute a separate division for the trans-border area. A joint establishment therefore is essential. This establishment should be controlled by the provincial Government, but in so far as it is employed on work connected with irrigation across the border, the provincial Government will be acting as the agent of the central Government in the administration of a central subject in accordance with the principle of Devolution rule 46.

Devolution rule 48 contemplates the distribution of the cost of such establishments between the Centre and the province. This, however, will not, in our opinion, be a convenient arrangement. The irrigated area within the Peshawar district is likely to expand considerably, while there are few possibilities of expansion of the irrigated area beyond the border. If, therefore, the cost were distributed in a fixed proportion, it would be necessary from time to time to vary this proportion. A more important consideration is that administratively it is undesirable that two different Governments should be jointly concerned with settling the details of the establishment required and that two different legislatures should vote the provision. We recommend, therefore, bearing in mind that by far the greater part of the expenditure is in any case provincial, that the whole expenditure on the canal should be treated as provincial, full provision for the maintenance of the trans-border, as of the cis-border, portion being made in calculating the subvention. We think also that it would be an obvious practical convenience that the whole revenue of the canal, including that which accrues from the small trans-border area, should be treated as provincial. This could be effected by a declaration such as that contemplated under Devolution rule 14 (1) (h). Such an arrangement would avoid the complication of distributing the capital cost and interest charges between the Centre and the province, as well as the resulting revenue. Under the arrangement we propose, the irrigation of the trans-border area will remain, in accordance with our general principle of division, a central subject, and the actual water rates across the border and other details of canal administration affecting the rights of the trans-border population could not be revised without the concurrence of the Governor acting as Agent to the Governor-General. But the staff employed on the whole canal would be working under the control of the provincial Government. It must be made plain that the provincial Government, in consideration of receiving full provision for the upkeep of the trans-border portion of the canal, will be bound to maintain this portion efficiently.

28. (b) **Deputy Commissioners.**—The Deputy Commissioners in all districts are not only district officers, but act as Political Agents in relation to certain tribes across the border. This is an administrative arrangement which, on general grounds of frontier policy, has hitherto been regarded as necessary. Some of the establishment of the Deputy Commissioners is also engaged, wholly or partially, on this tribal work. Here again we have an inevitable

joint establishment. We propose that it should be treated exactly on the lines suggested for the Upper Swat Canal. The whole expenditure will be provincial, full provision for that part of the establishment which is engaged on central work being made in the subvention. In consideration of this, the provincial Government would be bound to maintain the joint establishment in a proper state of efficiency. While, however, the staff will be provincial, it will be used, so far as concerns the tribes, to carry out the policy of the central Government, and the Deputy Commissioners therefore, in their relations with the tribes, will be directed by the Governor in his capacity as representative of the central Government. It is recognized that difficulties might arise if the Centre desired for central purposes expansion of this joint establishment, while the provincial Government was unwilling to agree. In that case, it would presumably be necessary for the Centre to increase the subvention in order to cover the increased expenditure it was demanding.

29. (c) **Forest Department and miscellaneous cases.**—There are other similar instances in which particular provincial officers or portions of establishments will be performing central work. Forestry operations on a small scale are at present being carried out across the border, and these may be expected to increase. The work is seasonal, and the most convenient administrative arrangement in present conditions would be that the provincial Forest Department should be employed as the agent of the central Government. Again the various heads of departments will supervise work in the agencies as well as in the districts, and in the agencies will be carrying out central policy. It should be made clear in all these cases that the Centre has a claim on the services of these officers for central purposes and that full provision for this is being made in the financial subvention.

30. **Separate trans-border institutions.**—Where expenditure on establishments can conveniently be separated, we think that this should be done. It is clearly undesirable in principle that central activities should be financed from provincial revenues, though administrative considerations may in certain cases make it necessary to disregard this principle. All expenditure therefore on the staff of self-contained institutions, such as schools or hospitals, located across the border, should be treated, as at present, as central. No doubt the staff will actually be found by loan from the provincial cadre, but the cost will be a central debit.

31. **Provincial institutions used by inhabitants of trans-border.**—There will be many provincial institutions used to an appreciable extent by trans-border people. The best example of these is hospitals, but schools and other institutions within the settled districts are used in varying degrees by the inhabitants of the trans-border. These institutions should, we consider, continue to be wholly provincial, full allowance for their upkeep being made in the subvention. It should at the same time be made clear that they are bound to receive, as at present, trans-border people who wish to make use of them.

32. **Examination of existing lists of central and provincial subjects.**—We are now in a position to consider whether the special conditions in the North-West Frontier Province necessitate any actual amendments in the existing general lists of central and provincial subjects. It is clear that subjects

which are already included in the central list and are therefore central throughout India must remain central. In other cases we have already stated that in our view the principle of division must be that matters which are the primary concern of the settled districts should be provincial, and those which are the primary concern of the tribal territories, and the watch and ward of the border, should be central.

In order to give effect to our proposals, we think it is only necessary to emphasize that the watch and ward of the border, and all matters which directly relate to the affairs of the tribal territory are central. It is probable that the first point is covered sufficiently by entry I (a) in part I, Schedule I of the Devolution rules "Defence of India, etc.", and the second point by entry 2 "External Relations" and entry 3 "Relations with States in India". But if there is any doubt, we suggest that specific entries should be made in the list of central subjects in the terms suggested above. It will then follow that the frontier constabulary and institutions situated across the border would be central, while ordinary provincial subjects within the settled districts would be provincial. Roads of military importance would be dealt with in accordance with item 6 (b) of the list of provincial subjects and the provisions of Devolution rule 12-A.

In view of the dependence of provincial finance on the central subvention, we have examined the question whether any special restriction is required on the borrowing powers of the provincial Government. The entry in the list of provincial subjects reads as follows : -

"Borrowing of money on the sole credit of the province ; subject to the provisions of the Local Government (Borrowing) rules".

The credit of the province would, in our view, include not only the revenues raised in the province, but the fixed subvention from the Centre. The Local Government (Borrowing) rules give full power to the central Government to control loans raised from the general public, but it seems clear that the province would neither desire nor be able to raise such loans. If a loan were required, it would have to be obtained from the central Government. The ordinary rule (Devolution rule 25) runs as follows :—

"The Governor General in Council may at any time make to a local Government an advance from the revenues or moneys accruing to the Governor General in Council on such terms as to interest and repayment as he may think fit."

This gives ample power to the Government of India to satisfy itself, before sanctioning a loan, that the provincial finances are in a fit state to bear it. There is therefore, in our opinion, no need to amend the existing entry in the list of provincial subjects.

No change required in list of provincial subjects.—In the result, the list of provincial subjects will require no change in the case of the North-West Frontier Province, which will thus be placed, in the definition of its sphere of administration, on an exact equality with all other provinces.

PART III.—THE SUBVENTION.

33. **Financial history of the province.**—The expenditure on the North-West Frontier Province has grown continuously and largely since the constitution of the province in 1901. The Bray Committee stated that in the scheme drawn up in 1901 for the administration of the province, by which term was meant not only the settled districts, but also the agencies, revenue was estimated at 36 lakhs and expenditure at 64. Actually, however, the expenditure in the first complete year amounted to 74 lakhs giving a deficit of 38. By 1921-22, the deficit had risen to 140 lakhs, the expenditure being 200 against a revenue of 60. The following table, containing the latest accounts figures, shows the total revenue, expenditure and deficit from 1927-28 onwards :—

(In thousands of rupees.)

—	1927-28.	1928-29.	1929-30.	1930-31.	Budget, 1931-32.
Revenue	87,58	82,35	85,40	64,86	86,84
Expenditure	2,93,65	3,13,57	3,39,81	3,55,62	3,39,74
Deficit	2,06,07	2,31,22	2,54,41	2,90,76	2,52,90

From the year 1927-28, owing to a change in accounting, it is possible to distinguish the heads which, according to our proposals, will be provincial from those which will be central.

The following table exhibits the revenue, expenditure and deficit separately under provincial and central, taking major heads of accounts as a whole. The details are given in Appendix IV.

(In thousands of rupees.)

—	1927-28.	1928-29.	1929-30.	1930-31.	Budget, 1931-32.
Provincial :					
Revenue	74,90	70,38	73,26	54,72	75,28
Expenditure	1,45,58	1,57,30	1,71,16	1,83,85	1,79,50
Deficit	70,68	86,92	97,90	1,29,13	1,04,22
Central:					
Revenue	12,68	11,97	12,14	10,14	11,5 ^a
Expenditure	1,48,07	1,56,27	1,68,65	1,71,77	1,60,2-
Deficit	1,35,39	1,44,30	1,56,51	1,61,63	1,48,68
Total Deficit : (Provincial and Central)	2,06,07	2,31,22	2,54,41	2,90,76	2,52,90

We have thought it convenient both for comparison with the past and for purposes of a complete picture of the present to show the receipts and expenditure under the central as well as under the provincial heads. Our enquiry, however, is confined to the question of the extent to which it would be necessary to supplement the provincial revenues in order to meet the charges under the provincial heads. It is clear from the above figures, and it was realized by the Sub-Committee of the Round Table Conference, that there must be a large gap between provincial revenue and expenditure which will have to be made good by a central subvention.

34. Province constituted and maintained on grounds of frontier policy.—It must be remembered that the province was called into existence not as the result of any such popular demand for a separate administration as that which we now see for instance in Sind and Orissa, but for reasons of imperial policy dictated by what were considered to be the essentials of a sound system of frontier control. The creation of the new province was at the time a matter of no political interest to its inhabitants. It is true that in 1922 when the Bray Committee held its enquiry, the prevailing opinion was in favour of retaining the separate existence of the province. This, however, does not affect the point that the province was constituted on grounds of general frontier policy, for which the central Government was responsible, and is still maintained on the same grounds. A common view expressed before us by non-official witnesses was that the central Government having called the province into existence must be prepared to finance it fully, and that if the central Government were not ready to grant a subvention that would place the inhabitants of the province in respect of government activities on a reasonable equality with those of the Punjab, they had no objection to re-amalgamation with the Punjab.

35. Five settled districts too small a unit to be self-supporting.—It is evident that the five settled districts form far too small a unit to be able to carry unaided the heavy overhead charges of a separate administration. There is at present a Chief Commissioner, a secretariat, a Judicial Commissioner's court and heads of departments, while the self-contained establishments tend to be on a larger scale than would be necessary if they were parts of a more extensive organization. It could not be expected that such an administration would be self-supporting. To the existing charges must now be added the machinery of an autonomous province: a Governor in place of a Chief Commissioner, ministers, a legislative council, and unavoidable increases in the secretariat.

36. Natural features which accentuate the deficit.—The inherent financial incompatibility between the size of the five settled districts and the administration which they have to carry is accentuated by certain natural features of the province. It is not a compact area. It consists of a long, narrow strip of territory approximately 350 miles long and nowhere more than about 50 miles wide. This involves considerable expenditure on communications. Many parts of the province are sparsely inhabited, which again necessitates a larger number of institutions per head of population than is required in a more densely populated area. Again, much of the land is unproductive, and in consequence the revenue is small. The nature of the inhabitants and the geographical situation of the province impose high standards

of expenditure in certain directions. The incidence of crime is high. There is always the danger of raids from across the border and, in any case, a considerable burden is placed on the administration from the large influx of trans-border tribesmen every cold weather. The result of these factors is that expenditure on Police and Jails is unusually heavy.

37. **Additional expenditure due to all-India interests.**—Another cause of high expenditure is found in the all-India interests which demand special standards of administration in certain departments. The central Government cannot afford to run risks either with the general administration of the districts, or with the efficiency and numbers of the police. The expenditure under both these heads is high, and must remain high. Finally, many of the establishments which we propose for purposes of administrative convenience to treat as provincial will, under the agency system described in the second part of our report, be carrying out central functions. An important part of the duties of the Governor will be to act as Agent to the Governor-General in charge of relations with the tribal territory. The whole of his pay, however, will be debited against provincial revenues. The case is the same with Deputy Commissioners and to a less extent with the other joint establishments we have enumerated. Moreover, the expenditure on provincial institutions is swollen by the number of trans-border tribesmen who use them. This is particularly marked in the case of an institution like the new hospital in Peshawar. These in brief are the main reasons which not only render it impossible to expect the five districts to be financially self-supporting, but make it inevitable that the subvention from the Centre should be on a large scale.

38. **Assimilation of standards of administration and taxation with the Punjab.**—In spite of the heavy expenditure that has been incurred on the five districts, the inhabitants still claim, and it would seem that their claim has been recognized by the Government of India, that the expenditure on the beneficent and nation-building departments has fallen behind the standards of the Punjab, and that in these respects the province has suffered by separation. In reply to a deputation in the summer of 1930, which urged these points strongly on the attention of Government, the Chief Commissioner made the following statement :—

“(b) *Activities of the beneficent departments.*—I am glad to be in a position, after consulting the Government of India, to announce that it will be my object to secure to the province as regards these departments the same standards of administration as obtain in the frontier districts of the Punjab and our proposals for next year will be framed on that basis.

(c) As to financial burdens, I have no hesitation in giving you the assurance that land revenue, water rates and local rates in the Frontier Province will not be on the whole higher than those obtaining in the Punjab and that the re-assessment proposals of the Peshawar district will be re-examined in the light of the new Punjab Land Revenue Amendment Act.”

In pursuance of the pledge quoted above, the Chief Commissioner has prepared schemes for considerable expansion under the heads of Education, Medical, Public Health and Agriculture, to which we shall refer more fully

when we come to deal with the calculation of the subvention. The pledge regarding the land revenue in the Peshawar district has already been carried out, and the demand has been in consequence lowered. The statement of the Chief Commissioner, which was made with the approval of the Government of India, may be taken as establishing two maxims of policy; that standards of administration in the beneficent departments should be brought up generally to the standard prevailing in the frontier districts of the Punjab, and that standards of taxation in general should not be higher than in the Punjab. We would add as a corollary of the latter that standards of taxation should not in general be lower than in the adjoining districts of the Punjab. These principles are of great importance in determining the amount of the subvention.

39. Subvention for a fixed period.—The Sub-Committee of the Round Table Conference proposed that each financial assignment from the Centre should run undisturbed for a period of years. It is clear, as they pointed out, that if the subvention were open to debate annually in the central legislature, the substance of provincial autonomy would be impaired. We accept therefore as a fundamental principle the necessity of fixing with certainty a financial assignment which would cover a period of years. We recommend that this assignment should be declared under Devolution rule 14 to be a source of provincial revenue. The expenditure of the assignment would thus be at the discretion of the provincial Government, and should not be open to interference by, or criticism from, the central Government. Unless the province is free within the total limit of the revenues assigned to it to manage its own budget, there can be no real autonomy. At the same time we think this system will be in the interests of the Centre also. Hitherto the budget of the North-West Frontier Province has been directly controlled by the Centre. There has been no kind of financial settlement with the province. Every item of expenditure included in the budget has had to receive the sanction of the Centre. But this centralized control has not availed, as the figures we have given above show clearly, to keep down expenditure. We think indeed that it would be surprising if such a system tended to economy, for it does nothing to stimulate in the province itself any interest in economy or in the development of its own resources. If by the establishment of an autonomous Government these forces can be brought more actively into play, the central Government as well as the provincial Government should benefit.

40. No divided heads of expenditure.—The considerations stated above make it, in our opinion, unnecessary to pursue certain proposals for dividing expenditure under all the main provincial heads between provincial and central, which were originally put forward by the Chief Commissioner to meet other conditions. We recognize, as we have explained above, that in many respects provincial revenues may be said to be bearing central charges. But if the expenditure under all the main provincial heads were divided between central and provincial on whatever proportion might be considered reasonable, it would mean that the provision under these heads would have to be voted every year not only by the provincial council but by the federal Assembly, and there would be serious possibilities of disagreement between the two Governments. In effect the provincial budget would have to be submitted every year for the sanction of the Centre, and this would destroy the independence

of the provincial Government. We have therefore discarded all attempt to divide provincial heads of expenditure between the Centre and the province.

41. Considerations affecting expenditure on police.—There is, however, one case in which we have had to consider whether practical necessities demand any restriction on the unfettered right of the provincial Government to dispose of its resources. It will be necessary to include in the calculation of the subvention a particularly large sum on account of police expenditure. This will be included not only in the interests of the province, but in the interests of the Centre, which is closely concerned to see that the conditions of tranquillity are maintained in this frontier territory. The intentions of the Centre would be frustrated if the provincial Government decided to reduce appreciably the expenditure on police and devoted the savings to education or some other activity in which the provincial council was more interested. We do not, however, consider that any special provision is required to guard against such a contingency. If it were provided that the expenditure on police should not, without the sanction of the central Government, be reduced below the figure allowed for in the subvention, an undesirable rigidity would be introduced into police expenditure, and the central Government might from time to time be called upon to adjudicate on the details of police establishments, a development which should, if possible, be avoided. It might no doubt be provided that the expenditure should not be reduced below a particular figure without the concurrence of the Governor, but we think that the ordinary constitution contemplated by the Round Table Conference makes such a provision unnecessary. Sub-Committee No. II, dealing with the provincial constitutions generally, recommended that the Governor should have power to take action otherwise than in accordance with the advice of the ministers for the purpose of safeguarding the safety and tranquillity of the province, and that for the discharge of this duty he should have the necessary financial powers. It appears to us that, even without taking into account the special position which the Governor is expected to occupy in the North-West Frontier Province, he would have ample power to ensure that his Government or the legislative council did not reduce the expenditure on Police in a manner that would endanger the safety of the province and the interests of all India.

42. The basic figures.—We come now to our actual proposals for the subvention. If the province had reached a normal equilibrium of expenditure, our task would have been easier. But as we have explained above, important schemes of fresh expenditure have been prepared for all the nation-building activities, and these are at present before the Government of India. The province is at the commencement of a period of expansion in directions in which growth has hitherto been comparatively slow. We are not aware whether the Government of India will be prepared to accept these schemes in full, but whatever may be the provision accepted it will introduce an element of constant change and increase in the provincial figures for at least five years. In these circumstances we consider that the most convenient course is, in the first place, to work out a basic figure uniform for the whole period of the subvention, based on existing revenue, existing expenditure and the normal annual growth of expenditure. No provision is made in this figure for new schemes on the one hand or for retrenchment on the other, nor in view of the

experience of the last few years have we thought it prudent at the outset of a new system to allow for any definite increase in revenue.

We propose that the subvention should be fixed for a period of five years. The schemes of new expenditure for the most part cover periods of five years, and it will clearly be necessary to review the position on their completion. A period of five years seems to us to be long enough to give the provincial Government a fair opportunity of developing its policy. Finally, if any longer period were taken the figures would, in the absence of experience of the working of the provincial Government, be too conjectural.

The following table gives under each head the basic figures of revenue and expenditure calculated as explained above, and the provision which we regard as inevitable for the annual growth of expenditure on the existing basis :—

BASIC FIGURES.

	REVENUE.				(In thousands of rupees.)	
V.—Land Revenue	21,24
VI.—Excise	9,50
VII.—Stamps	10,00
VIII.—Forests	8,80
IX.—Registration	70
XIII.—Irrigation :—						
Gross receipts	18,60	
Deduct—Works expenses	10,20	
Net	8,40
XVI.—Interest	90
XVII.—Administration of Justice	1,70
XVIII.—Jails and Convict Settlements	1,45
XIX.—Police	10
XXI.—Education	65
XXII.—Medical	80
XXIII.—Public Health	5
XXIV.—Agriculture	32
XXVI.—Miscellaneous Departments	70
XXX.—Civil Works	1,63
XXXIII.—Receipts in aid of superannuation, etc.	33
XXXIV.—Stationery	27
XXXV.—Miscellaneous	3,08
				Total		<u>70,62</u>

EXPENDITURE.

(In thousands of rupees).

Budget Head.						Basic figures (Existing Expenditure).	Normal Annual Growth.
5—Land Revenue	..	..	..	..		3,50	5
6—Excise	..	..	..	..	..	1,29	2
7—Stamps	..	..	..	..	..	20	..
8—Forests	..	..	..	..	..	8,00	15
8-A—Forests capital expenditure		..	..	..	..	30	..
9—Registration	..	..	..	..	..	15	..
14—Interest on capital irrigation outlay	..	..	..	..	..	9,92	10
15-A—Irrigation Works financed from ordinary revenue		..	..	..	..	5,92	12
15-B—Navigation Works	..	..	..	..	..
16 and 55—Irrigation capital expenditure	..	..	..	..	..
19—Interest on ordinary debt : gross interest payments	..	..	..	..	11,52		
<i>Deduct—</i>							
1. Interest transferred to Irrigation					9,92		
2. Interest transferred to Forests	..				25	10,17	
Net	..	..	..	..		1 35	—5
21—Reduction of debt	..	..	..	..	..	3,00	..
22—General Administration	..	..	..	..	..	20,25	27
24—Administration of Justice	..	..	..	..	..	7,90	10
25—Jails and Convict Settlements	..	..	..	..	..	10,70	10
26—Police	..	..	..	..	..	30,75	50
30—Scientific Departments	..	..	..	..	..	5	..
31—Education	..	..	..	..	..	20,00	20
32—Medical	..	..	..	..	..	5,87	8
33—Public Health	..	..	..	..	..	1,30	3
34—Agriculture	..	..	..	..	..	2,84	5
35—Industries	..	..	..	..	..	..	..
37—Miscellaneous Departments	..	..	..	..	..	3	.
41—Civil Works	..	..	..	..	..	37,07	13
43—Famine relief	..	..	..	..	..	25	.
45—Superannuation allowances and pensions	..	..	..	..	..	4,90	10
45-A—Commutation	..	..	..	..	..	1,75	..
46—Stationery and Printing	..	..	..	..	..	2,00	5
47—Miscellaneous	..	..	..	..	..	80	..
Total	..	..	..	..	..	1,80,09	2,00

43. **Explanation of basic figures :—(a) Revenue.**—The detailed explanation of our figures under each head is given in the financial statement printed on pages 39—74. For convenience we here summarize the salient features. The total revenue, excluding debt heads, amounts to only 70,62 and may appear low in comparison with past actuals. The figures, however, are in our opinion a fair statement of the existing position. For land revenue and irrigation receipts we have taken the present demand, less an average figure for remissions due to calamities or failure of crops and a small percentage for irrecoverable arrears. We have made no allowance for reduction of land revenue and water rates due to the present fall in prices. We think that when the time comes to fix the subvention the Government of India will be in a better position to estimate what allowance should be made for this factor. On the other hand, we have not taken into account certain probable increases in the demand under Irrigation. The existing water rates are appreciably lower than those charged in the Punjab. We are aware of no reason why the rates should not be equated to those of the Punjab, but as the Punjab rates may require readjustment to meet the present level of prices, it will be necessary to await developments. Further, it appears that there should be scope for increasing the area irrigated by the Upper Swat Canal with a consequent increase in revenue. If prices of agricultural produce remain low, the net result of these various indeterminate factors may be a figure under land revenue and irrigation receipts not very different from that which we have provisionally entered.

The income under Forests appears to us in the past to have been over-estimated. Our figure seems reasonable in the light of actuals. A reduction of 2,50 from the current year's budget figure under the head XXXV—Miscellaneous is due to the correct distribution of these receipts between central and provincial.

Our total estimate of revenue will require to be increased if taxation on motor vehicles is introduced at the rates in force in the Punjab. We see no reason why this should not be done. Subject to the adjustments indicated above, which will have to be made in our figures on the experience of the period that will intervene before the subvention is actually settled, we think that our estimates of revenue may be accepted as sufficiently accurate, and that it would not be wise to allow for conjectural increases. We have of course not taken into account additions to the provincial revenues that would result if Sir Walter Layton's financial proposals were adopted.

44. **(b) Expenditure.**—The basic figure for expenditure follows as closely as possible existing expenditure. Our figure has been to some extent reduced by eliminating, for purposes of convenience, the non-recurring expenditure in departments for which special schemes of expansion are before the Government of India. The object of this is to present the schemes as a whole as they stand. A normal figure of expenditure, however, would clearly include some provision for non-recurring expenditure for these departments. The effect, therefore, is that the basic figure is to that extent below a fair normal. In the same way the expenditure on Police has been taken only at the existing permanent sanctioned scale, the whole proposals for increase being shown in the list of special schemes. But actually a great part of this proposed increase is being spent at present under temporary sanction.

On the other hand, our basic figure includes provision for certain items which have not been included in the budget previously. These are 3,00 for reduction of debt, 25 for a famine relief fund, and 1,75 for commutation of pensions. We have not been able to include any estimate of expenditure in England, as figures are not available. It will be necessary to add provision under this head to our total figure of expenditure, and consequently to the amount of the subvention.

(c) **Annual growth.**—The estimate of annual growth is based as far as possible on facts and past experience. It allows for no new schemes, but only for the inevitable increase in charges, mainly on account of time-scale rates of pay.

45. **Basic figure for subvention.**—The deficit on the basic figure is 1,09 lakhs. This is based on the conditions of the current year 1931-32. The annual growth of expenditure is 2 lakhs. If the subvention does not take effect until the year 1933-34 it will be necessary to add two years' annual growth of expenditure to our basic figure. We suggest that provision should be made for the normal annual growth of expenditure by taking an average figure to cover the whole period of five years rather than by increasing the subvention annually by the amount of the annual growth. We think that this system will give a useful element of elasticity to the budget. Assuming that the subvention commences from the year 1933-34, the basic figure would be 1,13 *plus* 4, the latter sum representing the average of the normal increase over the whole period of five years. The total basic figure of the subvention for the five-year period would therefore be 1,17 lakhs.

46. **Schemes involving new expenditure.**—To this basic figure must be added whatever provision the Government of India, in compliance with the pledge given by the Chief Commissioner, make for the expansion of work in the beneficent departments. The following table exhibits the recurring and non-recurring expenditure proposed in these schemes :—

[In thousands of rupees.]

Schemes for expansion of activities of beneficent departments.

Heda.	1932-33.		1933-34.		1934-35.		1935-36.		1936-37.		Remarks.
	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	
31—Education*	5,19	12,70	7,65	11,77	10,74	11,61	11,09	..	11,44	..	<p>*The figures for 1932-33 under non-recurring include 2,05 on account of grants to local bodies sanctioned in the current year's budget in connection with the existing 5 years programme but surrendered to the Government of India. The payment of these grants has been deferred from 1931-1932 to 1932-33 owing to the financial stringency.</p> <p>†Under recurring a reduction of 25 has been made in the figures proposed by the Chief Medical Officer, North-West Frontier Province, for each year. This amount represents the cost of six rural dispensaries and improvements to Tehsil Headquarters hospitals which has been sanctioned by the Government of India, in the budget estimates for 1931-32 and allowed for in the basic figures.</p>
32—Medical†	1,42	5,58	2,21	5,45	2,76	1,98	3,02	1,01	3,32	..	
33—Public Health	82	4,18	1,88	6,03	2,45	2,21	1,06	1,25	3,06	1,00	
34—Agriculture—											
Agriculture	24	1,08	33	83	41	64	44	2	45	..	
Veterinary charges	34	..	54	..	78	..	99	..	1,21	..	
Co-operative credit	25	..	36	..	39	..	40	..	45	..	
Total 34—Agriculture	83	1,08	1,23	83	1,58	64	1,83	2	2,11	..	
GRAND TOTAL	8,26	23,54	12,97	24,08	17,53	16,44	17,00	2,28	19,93	1,00	

Though we have examined the heads of departments generally we do not consider that we are in a position to pronounce on the details of these schemes. They call for expert examination.

47. In addition to the schemes for the beneficent departments we have been given a list of schemes relating to other departments which have either been submitted or are shortly to be submitted to the Government of India.

Schemes for other departments : (A) Submitted to the Government of India. [In thousands of rupees.]

Heads.	1932-33.		1933-34.		1934-35.		1935-36.		1936-37.		Remarks.
	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	
22.—General Administration :— Formation of a separate Mardan District	1,40	4,83	1,40	..	1,40	..	1,40	..	1,40	..	
24.—Administration of Justice :— Reorganization of the Judicial Depart- ment.	12	..	12	..	12	..	12	..	12	..	
26.—Police :— Permanent increase in police as recom- mended by the Police Committee.	2,23	..	2,23	..	2,23	..	2,23	..	2,23	..	
Temporary additional police as recom- mended by the Police Committee.	3,32	..	3,32	..	3,32	..	3,32	..	3,32	..	
Total ..	7,07	4,83	7,07	..	7,07	..	7,07	..	7,07	..	

Schemes for other departments: (B) Not yet submitted to the Government of India. [In thousands of rupees.]

Heads.	1932-33.		1933-34.		1934-35.		1935-36.		1936-37.		Remarks.
	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	Recur- ring.	Non- recur- ring.	
22—General Administration :— Revision of pay of tahsildars and naib tahsildars.	30	..	30	..	30	..	30	..	30	..	
26—Police :— Re-organization of office establishment, increase of Pay and Audit branches, and increase of staff on account of registration of motor vehicles.	25	..	25	..	25	..	25	..	25	..	
Recruits Training School, Nowshera ..	36	28	37	..	37	..	38	..	38	..	
Police buildings .. .. .	..	1,00	..	1,00	..	1,00	..	1,00	..	1,00	
Total	91	1,28	92	1,00	92	1,00	93	1,00	93	1,00	

The two most important items are the proposals for permanent and temporary increases to the police, based on the recommendations of the Committee, consisting of Mr. Latimer and Sir David Petrie, which examined in detail the police requirements of the province, and the proposals for a new Mardan district. We understand that the latter scheme has been approved by the Government of India in principle. Provision will also be required from the commencement of the new constitution for Ministers and their establishments, the Legislative Council, and increases in the secretariat. We have ascertained that the local Administration have not yet formulated any definite proposals for these requirements. We propose to include tentatively recurring provision of Rs. 2,50,000 on this account.

48. **Method of calculating full subvention.**—We assume that final orders will be passed by the Government of India on all these schemes before the amount of the subvention is fixed. Indeed this is clearly necessary. When the orders have been passed, the additional sums sanctioned on account of the various schemes will be added to the basic figure we have proposed, in order to arrive at the final subvention. We observe that the special schemes contemplate a total non-recurring expenditure over five years of some 77 lakhs. It is possible that some of this will have been spent before the subvention comes into force. We suggest that whatever sum of non-recurring expenditure on these schemes is accepted by the Government of India as falling within the period of the subvention should be spread equally over the five years. Thus, if the total were 75 lakhs, a provision of 15 lakhs for non-recurring expenditure would be made in each year. This would clearly require reconsideration at the end of the subvention period. Similarly, we think it would be convenient if the recurring expenditure were provided by a regular progressive increase in the subvention and not precisely in accordance with the detailed programmes submitted by the heads of departments. The figure of Rs. 5,55,000 for the police based on the proposals of the Latimer-Petrie Committee, will, we understand, be required at once. So will the provision for Ministers, Legislative Council and Secretariat which we have taken tentatively at Rs. 2,50,000. The remaining recurring expenditure amounts to approximately 22 lakhs and it might be most conveniently provided by adding to the basic assignment 6 lakhs in the first year and increasing the assignment by 4 lakhs more in each successive year till the total of 22 lakhs is reached in the last year. We are dealing with figures which must be largely hypothetical, as we are not aware to what extent the proposals for new expenditure will be accepted by the Government of India. But, taking those figures as they stand, the subvention would, on our recommendations be calculated roughly as follows :—

	(Lakhs.)
	Rs.
Basic figure	1,17
<i>Add for special schemes—</i>	
(a) non-recurring expenditure (average)	15
(b) recurring additional expenditure on police and provision for ministers, legislative council and secretariat	8
(c) first year's recurring expenditure on other schemes	6
Total	1,46

The subvention would then be 1,46 lakhs rising each year by 4 lakhs to a maximum of 1,62. In considering these figures it should be remembered that the central revenues would receive back a sum of 14,25 annually, namely, 3,00 on account of repayment of the provincial loan account debt, and 11,25 interest. In order to arrive at the net payment by central revenues, it is necessary to reduce the above figures by 14,25. Some of us suggest that, for purposes of simplification, the liability of the province for the irrigation debt should be cancelled, and the interest payment to the Centre, amounting to 11,25 be consequently remitted, the subvention being reduced by a corresponding figure.

We propose that to the subvention should be added a non-recurring sum of five lakhs to provide an opening balance. If no provision were made for an opening balance the province might find itself in difficulties in the event of any unexpected factor.

49. In fixing the subvention and, in particular, in any future consideration regarding the revision of the subvention, we believe that two main considerations will have to be borne in mind. The object of giving a definite sum to the provincial Government for a period of years is to enable it to pursue its own policy by re-adjusting expenditure in the various departments and at the same time to encourage it to develop its own resources. It has therefore, on the one hand, to be made clear that economies and readjustments within the budget heads or expansion of revenue will not in any way influence the calculation of subventions for future periods, and that the province will thereby reap the benefit of its own financial activities. On the other hand, it has equally to be made clear that the provincial Government and the responsible ministry should not continuously look to the central Government for increasing amounts of subvention to meet the growing expenditure on the departments of the provincial Government. It is the first principle of democratic and responsible government that the burden of finding the resources for development should fall on the Ministry, and we feel it would impair that sense of responsibility if the provincial Government were to look constantly to the central Government for augmenting its resources and so helping it to develop the departments under its control. We feel it necessary to state both these principles at the very outset so that in the coming constitution the people of the province, and particularly the Ministry, will have a clear idea where they stand in relation to the budget arrangements for the province. Economies made in the spending departments and the augmentation of resources by skilful administration or new taxation should not on the one hand decrease the subvention, nor on the other should the increasing ordinary needs of the province be a reason for the increase of the subvention. Finally, we wish to make it clear that any abnormal factors either on the revenue or expenditure side may have to be taken into consideration when the subvention is revised. On the principles above stated the province, we feel, should have no difficulty in keeping pace with the progress of other provinces.

We contemplate that, when the five-year period of the first subvention is finished, representatives of the central Government and of the provincial Government would meet and review the position, and would endeavour in accordance with the principles outlined above to arrive at an agreed figure for

the next period. In the event of disagreement, any points at issue would presumably be referred to an arbitrator appointed by the two Governments. If a Supreme Court has been established, we should anticipate that its services would be utilised for this purpose.

50. Subvention as a statutory charge.—It is an essential part of the whole scheme that the subvention should not be voted annually by the federal legislature. We think that the most convenient course would be that the amount of the subvention should be made by rule under the Government of India Act a statutory charge on the central revenues.

PART IV.—CONCLUSION.

51. Comments on minute of dissent.—We regret that in the foregoing conclusions we have not the support of our colleague Rai Bahadur Lala Thakur Datta. He has explained his views at length in a separate minute of dissent. After careful consideration of these views, we find no reason to change any of the conclusions at which we had arrived. In paragraph 9 we remarked that the time had passed when it could be supposed that political feelings and political tendencies in other provinces of India had not their counterpart in the North-West Frontier Province. In saying this we reckoned without our colleague. He, it seems, is still living in the past, unconscious of the changes going on around him. The difference between his outlook and ours is fundamental.

We hold that his recommendations, both in regard to the classification of subjects and in regard to the subvention, are not in spirit consistent with the general scheme of the Round Table Conference and the specific proposals of Sub-Committee No. V. We do not think we are unfair to our colleague if we suggest that he has never reconciled himself to the broad principles laid down by the Conference, within which it was our task to work. One of the witnesses, Rai Sahib Ruchi Ram, who was the exponent of those views which our colleague has adopted, made the following statements at the close of his examination :—

Dewan Bahadur Ramaswami Moolaliyar : Q.—You have not yet reconciled yourself to the scheme of the Round Table Conference? You have not yet accepted that?

A.—No.

Q.—You want to reopen that question if possible?

A.—Yes, if Government will listen to us.

Q.—If the Round Table Conference will listen to you, you are prepared to go back to London, if you get representation, and suggest there that no reforms should be given to this province?

A.—Yes. No reforms should be given to this province.

Q.—If the evil should come, you want to minimize it as far as possible?

A.—Yes.

We do not, therefore, consider it necessary to deal in detail with the numerous arguments included in the dissenting minute. We propose to confine ourselves to a few broad points. Sir Abdul Qaiyum reserves to himself the right of contesting in detail the points contained in the minute of dissent, in the event of any of them coming under discussion at the Round Table Conference.

The proposal that Law and Order should be a central subject is not accepted by us and is not supported by the official witnesses. Our colleague has quoted extensively from the evidence of Mr. Adam, Inspector-General of Police, but there is no doubt that his general view, as we have stated, is in favour of treating the police as a provincial subject under a responsible minister. The logic of our colleague, on the other hand, leads him as far as throwing a doubt on the desirability of having Law and Order administered by a responsible minister in any of the Indian provinces, a position which the Round Table Conference has definitely rejected.

In recommending that Law and Order should be a central subject, our colleague has omitted to explain whether this subject should be allotted to the responsible or to the reserved side of the central Government. In his examination of Mr. Adam, the following passage occurred :—

Rai Bahadur Lala Thakur Datta : Q.—In view of the special circumstances prevailing here, don't you think that this would be better—the proposal of having the police under the central Government ?

A.—If you can get your people to accept it, it is all right.

Chairman.—When you talk of the central Government, do you talk of the responsible central Government that is being contemplated by the Round Table Conference, or do you talk of the reserved portion of that central Government ?

Rai Bahadur Lala Thakur Datta.—I am talking of the responsible federal Government.

We have no reason to suppose that our colleague has changed his views on this matter. Certainly those who support him contemplate that the power which they would not entrust to the provincial council should be placed in the hands of the federal Assembly. But the basis of his argument is that the control of Law and Order must lie with the authority that controls defence and tribal affairs, and that authority will be not the responsible but the reserved portion of the central Government. It is only if he proposes to entrust Law and Order to the reserved side of the Government that he is entitled to quote the views of those who believe that the ultimate responsibility for Law and Order in the North-West Frontier Province should rest on the British Parliament. We must leave him with this dilemma, merely remarking that if he proposes to transfer Law and Order to the responsible federal Government his main argument for not leaving it with the responsible provincial Government disappears, while if he proposes to transfer it to the reserved side of the central Government he would be advocating a system contrary, we think, to the general spirit of the new constitution.

Our colleague has laid considerable stress on the views of the Bray Committee, and he suggests that our proposals are in conflict with the principles they enunciated regarding the close connection between the settled districts

and the tribal tracts. It is hardly necessary to point out that Sub-Committee No. V of the Round Table Conference started from the position that it was necessary to divide these two areas administratively, and made suggestions, which we have endeavoured to work out in practical detail, for minimising the resulting inconvenience. The Bray Committee were concerned with a proposal entirely different from that which the Sub-Committee of the Round Table Conference put forward. The scheme which the Bray Committee condemned would have effected a complete severance between the settled districts and the tribal tracts. The former would have been assigned to a local Government of which neither the head nor any of the officers would have had any concern with the tribal tracts. The proposal of the Round Table Conference, which is the basis of our enquiry, on the other hand places the Agent to the Governor General who is in charge of tribal relations on the North-West Frontier at the head of the provincial Government, and enables the Deputy Commissioners still to perform their dual functions in the settled districts and the tribal area. The conclusions of the Bray Committee therefore appear to us to have no relevance to the argument.

Our colleague has devoted much space to an examination of the question whether the province has suffered by separation from the Punjab, and whether the standards of administration are on a par with those of the frontier districts of the Punjab. If we were concerned to enter into controversy over this issue we might suggest that a percentage calculation of the expenditure on the beneficent departments as compared with the total revenue might perhaps be a fairer test than the one that our colleague has adopted, and that the incidence of overhead charges may also have to be taken into consideration in arriving at a proper comparison. But it is for the Government of India to decide on the facts, and we would only remark that the statement of the Chief Commissioner made last year with the approval of the Government of India showed that in their view progress in certain departments still had to be made in order to bring the administration to the level prevailing in the frontier districts of the Punjab.

In dealing with the financial question our colleague has laboured to avoid the necessity for a subvention by adopting the simple remedy of transferring the responsibility for the administration of many subjects and parts of subjects of ordinary provincial concern to the central Government. We may remark that we do not accept his figures as securing the result he aims at. But in any case this is not the principle which the Round Table Conference had in mind. We are not required to allocate subjects to the Centre in order to avoid a subvention; the subvention has to be calculated in view of an allocation of subjects determined on administrative and practical grounds. It is therefore unnecessary to pursue the line that our colleague has adopted. We need only point out that in whatever way the distribution is made, the financial burden on the Centre is not really lessened. We have already explained that in our opinion the present system of central control does not tend to economy, and from this point of view we see no advantage in keeping as central a large part of the expenditure incurred for provincial purposes. The scheme of our colleague holds out no prospect of that finality in central liabilities which we hope to attain in course of time.

In conclusion, we are constrained to say that certain statements in our colleague's minute invite refutation. We prefer, however, in the interests of general harmony to ignore them.

52. Summary of recommendations.—In conclusion, we summarize briefly the main outlines of our recommendations :—

(1) Our proposals are confined within the general principles enunciated by the Round Table Conference and the constitutional scheme described in the report of Sub-Committee No. V.

(a) Classification of subjects.

(2) Subjects which are central throughout India must be central in the North-West Frontier Province. In cases not covered by the existing list of central subjects, the principle of division should be that matters which primarily concern the five settled districts should be provincial, and those which primarily concern tribal territories should be central.

(3) In particular, Law and Order should be a provincial subject.

(4) The watch and ward of the border should be a central responsibility. The control of the frontier constabulary, the essential function of which is the watch and ward of the border, should be central.

(5) Roads in the settled districts should be classified as provincial, standards of maintenance and expenditure on roads of military importance being safeguarded by conditions laid down under Devolution rule 12-A.

(6) The agency for the maintenance of the provincial roads as well as buildings should be transferred from the Military Engineering Service to the Public Works Department. If it is considered necessary on military grounds that certain roads should be maintained by military agency, these should be limited to cases in which special military considerations other than efficiency of maintenance justify this exceptional treatment.

(7) Frontier remissions should be treated as part of the provincial subject of land revenue. The Governor will be expected to see that the policy pursued does not affect the security of the border, for which he is responsible.

(8) Jagirs and military reward grants should not be liable to resumption or modification except under the orders of the central Government.

(9) Joint establishments will be required in certain cases for the working of central and provincial subjects. In such cases the ultimate responsibility of the Centre and the province respectively will not be obscured. It will be for the head of the province to harmonize and adjust the practical working of such joint establishments.

(10) It should be made clear, if necessary by an addition to the list of central subjects, that the watch and ward of the border and all matters which directly relate to the affairs of the tribal territory are central.

(11) The list of provincial subjects will require no change for the North-West Frontier Province, which will thus be placed, in the definition of its sphere of administration, on an exact equality with all other provinces.

(b) The subvention.

(12) There must, for reasons fully explained in the report, be a large gap between provincial revenue and expenditure which will have to be made good by a central subvention.

(13) The subvention should be for a period of five years in the first instance. It should be declared under Devolution rule 14 to be a source of provincial revenue. The expenditure of the subvention, as of the provincial revenues raised in the province, should be at the entire discretion of the provincial Government, and should not be open to interference by, or criticism from, the central Government.

(14) For purposes of convenience, we have proposed that a basic figure should be calculated for the subvention which will be uniform for the whole period. This figure is based on existing revenue, existing expenditure and the normal annual growth of expenditure, no provision being made in it for new schemes on the one hand, or for retrenchment on the other.

(15) The figure will require some readjustment in the light of experience of the period that will intervene before the subvention is actually settled. On the figures before us, we take the basic figure of the subvention for a 5-year period commencing in 1933-34 as 117 lakhs.

(16) To this must be added such provision as may have to be made for the large number of new schemes of expenditure now pending before, or about to be submitted to, the Government of India, particularly in connection with the beneficent departments.

(17) If the Government of India accept all these proposals for new expenditure, the subvention would amount, subject to the readjustments indicated above, approximately to 146 lakhs in the first year rising to a maximum of 162 lakhs in the fifth year.

(18) It is important that the people of the province should at the outset have a clear idea regarding the principles that will underlie a revision of the subvention. We propose, on the one hand, that economies in spending or augmentation of resources should not operate to decrease the subvention, and, on the other, that the increasing ordinary needs of the province should not be a reason for the increase of the subvention. Abnormal factors, however, either on the revenue or expenditure side may have to be taken into consideration when the subvention is revised.

(19) We contemplate that at the close of the period of the first subvention representatives of the central Government and of the provincial Government would endeavour to arrive at an agreed figure for the next period. In the event of disagreement any points at issue would be referred to an arbitrator appointed by the two Governments. The services of the Supreme Court might be utilised for this purpose.

(20) The subvention should be made, by rule under the Government of India Act, a statutory charge on the central revenues.

53. In the course of our enquiry it has been necessary for us to go into a considerable amount of detail, both administrative and financial. We have throughout endeavoured to handle that detail in accordance with the main principles which underlie the proposals of the Round Table Conference and to make recommendations which will enable the North-West Frontier Province to take its place by the side of the other provinces as an autonomous unit in the Federation of India.

We have the honour to be,

Your Excellency's most obedient servants,

H. G. HAIG, *Chairman.*

ABDUL QAIYUM.

C. LATIMER.

HAMIDULLAH OF TORU

A. RAMASWAMI MUDALIAR.

MOHAMMAD YUNUS.

E. T. COATES.

} *Members.*

LEHNA SINGH, *Secretary.*

ABBOTTABAD ;

The 23rd June, 1931.

The figure adopted in the accounts for 1930-31 on account of the portion of land revenue due to irrigation is an assumed figure, for the adjustment has not yet been made.

The actuals for the year 1930-31 show considerable decreases under "Fixed collections" and under "Other items". The fall in the receipts under the former head was mostly due to remissions and suspensions granted because of the prevailing economic depression, and under the latter head to the disturbances of last year. The continuing low level of prices of agricultural produce has necessitated considerable remissions during the current year also, and generally in the near future will affect the receipts under this head to an extent so indeterminable that we have preferred to exclude this factor from our consideration of what may be expected to be the normal land revenue. The land revenue demand in the settled districts under fixed collections is 19,89, and the average realization, taken over a period of the ten years ending 1929-30, before the present fall in prices, is 95% of the demand. Of the remaining 5% about 4% represents remissions and 1% non-realizations. This would indicate a normal yield under fixed collections of 18,90. The average yield of the last 5 years under fluctuating collections and other items was 1,75 and 2,20, respectively. This brings the normal gross revenue under the major head to 22,85 from which we would deduct 1,61 for that portion of land revenue due to irrigation, and would thus estimate the normal net revenue at 21,24.

We recognize that under prevailing conditions of prices, this figure cannot be reached. 20% of the last kharif revenue was remitted involving a loss of 2.31 lakhs of rupees, and proposals have been sanctioned by the Government of India for further remissions of the ensuing revenue from the rabi crop to the extent of 4½ lakhs. With the future course of prices so uncertain we consider it would be of no value for us to attempt to assess the reduction which should be made from our estimated normal figure on this account.

VI.—Excise.

[In thousands of rupees.]

	Liquors and spirits.			Opium.		Other Drugs.			Remarks.	
	Licence fees.	Still head duty recovered from Punjab and U. P. Govts. on liquor produced in these Provinces and con. summed in N. W. F. P.		Licence fees.	Sale proceeds of excise opium.	Licence fees.	Other receipts.	Fees, fines and forfeitures.		Refunds.	Total.
Actuals—										
1926-27 ..	2,34	..	..	82	1,14	26	4	35	6	489*
1927-28 ..	2,19	..	10,42	75	1,40	33	4	31	3	15,41†
1928-29 ..	2,15	..	6,64	80	1,35	33	31	8	..	11,66‡
1929-30 ..	2,24	..	5,61	75	1,49	30	36	..	3	10,72
1930-31 ..	2,04	..	1,14§	69	1,57	30	39	2	2	6,13§
Budget estimate—										
1930-31 ..	2,06	..	5,10	70	1,61	32	26	1	2	10,04
1931-32 ..	1,86	..	5,07	65	1,81	31	29	1	5	9,95
Basic provincial figure adopted.	..	..	..	..	..	..	..	..	..	9,50

* Includes 9 on account of receipts in agencies which are credited under head "XXXV—Miscellaneous."

† do 18 do. do.

‡ do 7 do. do.

§ An adjustment of 3.16 (approximately) has yet to be made under this head. The total figure under head will thus be 4,30.

There is no distillery in the province, liquor being imported from the Punjab and the United Provinces. In accordance with the accepted principle that duty should follow consumption, the still head duty levied on this liquor will continue to be credited to the provincial revenues of the North-West Frontier Province. At present the central Government is compensating the Governments of the Punjab and the United Provinces, for the loss of still head duty in which that principle has involved them, and the debit (4,47) on account of this compensation appears under the head 6—Excise. Whether, under the new constitution, the central Government will continue to pay this compensation or not is a matter which will not concern the Government of the North-West Frontier Province. The Governments of the United Provinces and the Punjab claimed the compensation from central revenues on the ground that the Meston Settlement was framed on the assumption that this still head duty would be a source of their provincial revenues, for the sacrifice of which, in deference to a subsequently accepted principle, they were entitled to some compensation.

The figures under the minor head "still head duty" vary considerably, due to credits belonging to one year being adjusted in others.

VII.—*Stamps.*

[In thousands of rupees.]

—	Non-judicial.	Judicial.	Total.	Remarks.
Actuals for—				
1926-27 ..	3,53	7,77	11,30	Includes 17 on account of sale of plain paper, receipts from which are now credited to the head XXXIV—Stationery and Printing.
1927-28 ..	3,70	7,59	11,29	Do. 17 do.
1928-29 ..	3,75	7,77	11,52	Do. 18 do.
1929-30 ..	3,72	7,19	10,91	
1930-31 ..	3,21	6,24	9,45	
Budget—				
1930-31 ..	3,71	7,49	11,20	
1931-32 ..	3,38	6,51	9,89	
Basic provincial figure adopted.	..	..	10,00	

The decrease in 1929-30 is accounted for by the extension of the Punjab Court Fees Amendment Act, 1926, to the North-West Frontier Province with effect from the 1st June 1929. The fall in 1930-31 was due to the general depression. We consider that 10,00 would be a reasonable figure to adopt for the period of the subvention. These receipts are all realized in the settled districts.

VIII.—Forests.

[In thousands of rupees.]

				Timber and other produce removed from forests by Government agency.	Other forest receipts.	Total.
Actuals—						
1926-27	..	..	..	7,48	43	7,91
1927-28	..	..	..	7,20	37	7,57
1928-29	..	..	..	7,81	48	8,29
1929-30	..	..	..	7,96	68	8,64
1930-31	..	..	..	6,47	64	7,11
Budget Estimate—						
1930-31	..	..	..	8,55	1,05	9,60
1931-32	..	..	..	9,11	89	10,00
Basic provincial figure adopted				..	..	8,80

The receipts under this head include recently imposed duties on timber entering the settled districts from certain trans-border areas. The actual receipt during 1930-31 from these duties was 7, and the budget for the current year anticipates 30. This we presume will be central.

The timber market shares in the prevailing fall in prices. On a general review of conditions, however, we consider that the Forest Department may reasonably be expected to make a profit of 10%. We have adopted a basic figure of 8,00 for the revenue expenditure of the department, and propose, on this basis, a figure of 8,80 for its receipts. These figures cover forest activities in the settled districts only.

IX.—Registration.

[In thousands of rupees.]

							Registration Receipts.
Actuals for—							
1926-27	..	..	..	..	..	..	81
1927-28	..	..	..	..	..	..	77
1928-29	..	..	..	..	..	..	78
1929-30	..	..	..	..	..	..	76
1930-31	..	..	..	..	..	..	64
Budget for 1930-31							78
Do. for 1931-32							68
Basic provincial figure adopted							70

The receipts under the head are all realized in settled districts and call for little comment. Trade depression and a fall in the prices of immovable property are quoted as reasons for the recent falling off in these receipts.

XIII.—Irrigation, etc., works for which capital accounts are Dep'

Heads.	Actuals.					Budget.	
	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1930-31.	1931-32.
1. Direct receipts ..	19,96	15,78	14,40	18,29	13,13	20,20	20,06
2. Indirect receipts: land revenue due to Irrigation.	1,15	1,76	1,30	1,67	1,65	1,38	1,65
Total ..	21,11	17,54	15,70	19,96	14,78	21,58	21,71
Basic provincial figure adopted.	..	..	..	..	18,60	..	..

Under the first head the latest available figures give the normal demand on account of water rates as 16,80, and the percentage of normal remissions to this normal demand during the last five years was 6·74% or 1,12. This leaves a net normal demand for water rates of 15,68. This does not take into consideration the special remissions of 1930-31, on account of the general economic distress of that year, which were 1,60. Other receipts bring in about 1,60, and the average indirect receipts are 1,51. Adding this 3,11 to the net normal demand for water rates we arrive at a normal theoretical yield under the whole head of 18,79. Allowing 1% for non-realizations—the same percentage as in V—Land Revenue—the figure is reduced to a practical yield of 18,60, which we have adopted. The average actual receipts of the 4 years ending 1928-29 were also 18,60. As in the case of V—Land Revenue, we do not feel competent to assess the reduction in this figure that should be made in order to reflect the present state of economic depression.

XIII.—Deduct working expenses.

We consider that it would be more convenient and accurate to examine the Irrigation budget as a whole, combining all the major heads concerned, and considering separately works expenditure and establishment charges.

Past actuals were :—

WORKS EXPENDITURE.

Major heads.	1927-28.	1928-29.	1929-30.	1930-31.	Budget, 1931-32.	Basic figure proposed.
16	87	1,16	39	20	13	} 75
55	4	25	2,19	19	48	
XIII	3,35	3,09	4,63	4,66	3,48	4,00
15-A. .. ..	..	5	36	74	1,13	1,140
15-B.	87	1,53	58	96	59	75
Total ..	5,13	6,08	8,15	6,75	5,81	6,90

ESTABLISHMENT CHARGES.

Major heads.	1927-28.	1928-29.	1929-30.	1930-31.	Budget, 1931-32.	Basic figure proposed.	
16	44	45	12	Figures not yet available.	4	} 25	
55	2	10	66		19		
XIII	5,43	4,04	5,19		5,46		5,40
15-A.	26	1,78	1,90		2,48		2,55
15-B.	1,42	2,01	67		56		50
Total establishment charges.	7,57	8,38	8,54	7,56	8,73	8,70	
Tools and plants ..	14	26	43	13	13	20	
Suspense	-76	-9	-14	-28	-2	0	
Pensions	1,06	1,17	1,20	not available.	1,22	1,22	
Other charges ..	7	39	34	18	16	10	
Deduct—Contribution from local bodies.	..	..	..	-73	-1,00	..
Probable savings ..	..	..	..	-1,90	..	..
Total ..	8,00	9,99	10,37	7,59	9,22	..	
Total basic figure ..	..	..	..	..	16,12	..

The figures of works expenditure up to 1929-30 are final actuals; those for 1930-31 are preliminary actuals. The distribution by major heads of the total budget figure—5,81—for the current year has been abstracted from the Irrigation demand No. 22.

The figures of establishment up to 1929-30 represent the pro-rata distribution. That distribution for the year 1930-31 has not yet been effected. The distribution of the budget figure of 8,73 for the year 1931-32 is more or less arbitrary, but will suffice for our purposes.

The figures under the head 15-A, with the exception of 25, being establishment charges for the Waziristan Survey, represent the amounts required for the transfer of civil canals to the Irrigation Department, when that scheme will be fully working. They have been abstracted from the figures approved by the Government of India for this scheme, so far as those figures relate to the Irrigation Department.

Our aim has been to arrive at a total basic figure for the whole Irrigation Department. This we have taken as 16,12. Our distribution of this figure over the various major heads is intended to be more illustrative than rigid. In order to exhibit the working of the Irrigation capital projects, however, we propose to adopt specific figures for the major head XIII, leaving the remainder of the major heads undifferentiated on the expenditure side, thus :—

		XIII.	Other heads.
Works expenditure (including other charges)	..	4,00	3,00
Establishment .. ..	.. ..	5,40	3,30
Tools and plants .. ..	.. ..	5	15
Pensionary charges .. ..	.. ..	75	47
Deduct—recoveries .. ..	.. ..	..	-1,00
Total ..	..	10,20	5,92

We have allocated the small expenditure which is still being incurred on the Waziristan Survey to Provincial because we understand that, in future, it will be the settled districts which will be the scene of, and which will benefit almost exclusively from, its activities.

Under head XIII we would allow a normal annual growth of 7 and under the other heads of 5.

XVI.—*Interest.*

	Actuals.				Budget.	Actuals.	Budget.
	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1930-31.	1931-32.
1. Interest on advances to cultivators..	21	17	20	..	28	25	30
2. Interest on loans to landholders ..	14	18	20	..	19	17	17
3. Interest on loans to municipality and public corporations	41	87	47	..	45	44	43
4. Interest on miscellaneous loans and advances ..	..	1	5	..	4	6	3
Total ..	76	1,23	92	77	96	92	93
Basic provincial figure adopted.	..	..	..	..	90	..	..

Of the "Interest on advances to cultivators" about 3 is realized in tribal territory as is the whole of the interest on "Miscellaneous loans and advances." The central share of these receipts may therefore be taken at 6, and the rest as provincial, on the assumption that the loan account of the province will be provincialized. We have adopted 90 as the basic provincial figure.

XVII.—*Administration of Justice.*

(In thousands of rupees.)

	General fees, fines and forfeitures.	Other receipts.	Refunds.	Net Total.	Remarks.
Actuals—					
1926-27	2,06	57	—25	2,38	
1927-28	2,17	56	—15	2,58	
1928-29	1,82	60	—15	2,27	
1929-30	1,56	52	—17	1,92	
1930-31	1,27	61	—19	1,69	
Budget estimate—					
1930-31	1,53	51	—17	1,87	
1931-32	1,34	53	—22	1,65	
Basic provincial figure adopted	..	..	..	1,70	

The figures under this head since 1929-30 give the receipts realized in settled districts only. Those realized in trans-border areas are now credited to XXXV—Miscellaneous. These receipts will be wholly provincial. The steady fall has been attributed to a greater discrimination on the part of courts in levying fines.

XVIII.—*Jails.*

(In thousands of rupees.)

	Jails.	Jail manu- factures.	Recoveries of over-pay- ments, etc.	Total.
Actuals—				
1926-27	5	1,07	1	1,13
1927-28	5	1,17	1	1,23
1928-29	3	1,16	..	1,19
1929-30	8	1,28	..	1,36
1930-31	14	1,07*	2	1,23
Budget estimate—				
1930-31	14	1,30	..	1,44
1931-32	14	1,25	..	1,39
Basic provincial figure adopted	..	..	—	1,45

* Some adjustments on account of jail—made articles supplied to Government offices will be made in the accounts for March 1931 (Final).

The recent increase under the minor head "Jails" is due to certain recoveries being adjusted as revenue instead of as reductions of expenditure. These receipts are all realized in settled districts. We have made some allowance for increased receipts from the new Haripur Central Jail.

XIX.—*Police.*

(In thousands of rupees.)

	Amount.	Remarks.
Actuals—		
1926-27 ..	31	Includes 20 on account of motor car licence fees.
1927-28 ..	46	Includes 29 on account of motor car licence fees.
1928-29 ..	55	40 ditto. ditto.
1929-30 ..	67	54 ditto. ditto.
1930-31 ..	15	
Budget estimate—		
1930-31 ..	45	
1931-32 ..	68	
Basic figure adopted	10	

The budget estimate for 1931-32 includes about 60 on account of motor car licence fees which should have been taken to the head "XXVI—Miscellaneous". It was so taken in 1930-31.

These receipts are all realized in settled districts and otherwise call for no comment.

XXI.—*Education.*

(In thousands of rupees.)

	Amount.	Remarks.	
Actuals for—			
1926-27	44		
1927-28	50		
1928-29	56		
1929-30	64	Includes approximately 4 on account of grants refunded by certain schools.	
1930-31	60		
Budget estimate—			
1930-31	60		
1931-32	63		
Basic figure adopted	65		

These receipts are all realized in settled districts and the progressive increase is due to the opening of more schools under the five-year programme of expansion.

Taking this factor into consideration we have adopted 65 as a normal figure.

XXII.—*Medical.*

(In thousands of rupees.)

	Hospital receipts.	Contribution.	Collection of payment for service rendered.	Other items.	Total.
Actuals—					
1926-27 .. .. .	..	..	..	1	1
1927-28 .. .. .	..	..	..	1	1
1928-29 .. .. .	..	..	50	..	50
1929-30 .. .. .	..	..	37	..	37
1930-31	5	41	40	1	87
Budget estimate—					
1930-31 .. .. .	..	40	47*	2	89
1931-32	4	40	33	..	77
Basic figure adopted	..	..	..	..	80

*Recoveries in respect of the staff of the Lady Reading Hospital, Peshawar, were incorrectly included in the budget estimate for 1930-31, as the hospital was taken over by Government from 1st April 1930.

These receipts also are all realized in the settled districts. The fluctuations are principally due to accounts adjustments. Since the provincialization of the Lady Reading Hospital with effect from the 1st April 1930, a sum of 40 is recovered from the Peshawar Municipality as a contribution on this account to general revenues.

XXIII.—*Public Health.*

(In thousands of rupees.)

—	Amount.	Remarks.
Actuals—		
1926-27	1	Does not include 3 recoverable from the Municipal Committee, Peshawar. The adjustment on this account will be made in the accounts for March 1931, Final.
1927-28	3	
1928-29	2	
1929-30	2	
1930-31	2	
Budget estimate—		
1930-31	5	
1931-32	5	
Basic figure adopted	5	

These receipts are all realized in the settled districts.

XXIV.—*Agriculture.*

(In thousands of rupees.)

—	Amount.	Remarks.
Actuals—		
1926-27	53	The actuals for 1926-27 include 9 on account of recoveries of over payments made in the previous years, and a wrong credit of the same amount which was refunded in 1927-28. The further decrease in 1927-28 was due to the damage done by locusts in the agricultural farm at Tarnab.
1927-28	14	
1928-29	30	
1929-30	32	
1930-31	35	
Budget estimate—		
1930-31	39	
1931-32	35	
Basic figure adopted	32	

These receipts, which are provincial, are all realized in the settled districts. We have taken the figure of 32 recommended by the Revenue Commissioner as the normal figure.

XXVI.—*Miscellaneous departments.*

(In thousands of rupees.)

—	Amount.	Remarks.
Actuals —		
1926-27	2	
1927-28	1	
1928-29	3	
1929-30	2	
1930-31	68	
Budget estimate—		
1930-31	2	
1931-32	2	
Basic figure adopted ..	70	

Motor vehicle taxation receipts will in future be credited to this head. They may be taken at 68 and the whole head at 70. This figure allows for receipts only on the existing scale of fees. No provision has been made for possible new rates of taxation.

The whole amount is recovered in the settled districts.

XXX.—*Civil Works.*

(In thousands of rupees.)

—	Amount.	Remarks.
Actuals—		
1926-27	67	
1927-28	74	
1928-29	65	
1929-30	45	
1930-31	58	
Budget estimate—		
1930-31	66	
1931-32	55	
Basic provincial figure adopted	1,63	

About 2 out of these receipts accrues in trans-border areas and the remainder, which we have taken at 63 from detailed statements furnished to us by the Secretary in the Public Works Department, in settled districts. The variations in past receipts are due to refunds arising from the revision of old Fundamental rule 45. We have added one lakh to the normal receipts on account of the subvention from the Road Fund. In the current year the amount of this subvention was 91.

XXXIII.—Receipts in aid of superannuation.

(In thousands of rupees.)

	Subscription for I.C.S. fund.	Contribution for pensions, etc.	Recovery from other Governments.	Miscellaneous.	Total.
Actuals—					
1926-27	11	19	43	1	74
1927-28	12	33	..	1	46
1928-29	12	24	..	..	36
1929-30	10	27	..	2	39
1930-31	5	28	..	1	34
Budget estimate—					
1930-31	12	24	..	1	37
1931-32	7	27	..	1	35
Basic provincial figure adopted	..	..	..	..	33

Of these receipts the subscriptions to the I. C. S. Family Pension Fund (7) will be central and the rest provincial. Some increases are expected under this head owing to a closer application of rules.

XXXIV.—Stationery.

(In thousands of rupees.)

	Amount.	Remarks.
Actuals—		
1926-27	42	
1927-28	15	
1928-29	26	
1929-30	62	
1930-31	52	
Budget—		
1930-31	43	
1931-32	29	
Basic provincial figure adopted	27	

The receipts from the sale of plain paper which will be provincial were transferred from VII—Stamps to this head in 1930-31. With effect from the current year the Central Publication Branch of the Government of India, (of which the North-West Frontier Province Press at Peshawar has hitherto been a local agent) has ceased to be a commercial department and receipts have correspondingly fallen. The receipts of the Publication Branch of the local press are now only cash receipts, of which, during 1930-31, 18 were on account of what will be provincial publications, and 3 on account of central publications. The other miscellaneous receipts of the press will be provincial. We have adopted 30 as the total receipts ; 3 central and 27 provincial.

XXXV.—Miscellaneous

(In thousands of rupees.)

Heads.	Actuals.				Budget.	Actuals.	Budget.
	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1930-31.	1931-32.
(1) Unclaimed deposits ..	45	35	28	36	30	28 (assumed)	27
(2) Unclaimed bills of exchange ..	..	..	1	..	1	..	1
(3) Sale of old stores, etc. ..	1	1	1	7	1	1	1
(4) Sale of land, etc. ..	..	..	33	..	..	..	..
(5) Naturalization, passport, etc., fees.	2	3	3	2	3	3	3
(6) Other fees and fines ..	8	4	5	6	6	5	5
(7) Miscellaneous ..	3,48	3,62	3,91	5,57	5,60	4,55	5,10
(8) Rents ..	..	8	..	..	..	..	..
(9) Fees for Government audit ..	15	13	13	13	14	15	14
(10) Percentage on capital cost of furniture for high officers.	3	3	3	3	3	3	3
(11) Recoveries of service payments.	17	22	17	25	..	28	5
(12) Recoveries of over-payments	..	..	..	10	17	51	20
Deduct—refunds ..	11	58	26	22	30	49	30
Total ..	4,28	3,93	4,69	6,37	6,05	5,40	5,59
Basic provincial figure adopted	..	..	..	..	3,08	..	..

The small item of passport fees will be central. Apart from this, and head 7, the receipts under the other heads are realized in settled districts and will be provincial.

The receipts under head 7 accrue partly in agencies and partly in the settled districts. The detailed items under this head and their allocation between central and provincial are as follows:—

—	Provincial (in settled districts).			—	Central (in agencies).		
	Budget.				Budget.		
	1929-30.	1930-31.	1931-32.		1929-30.	1930-31.	1931-32.
Recoveries on account of law charges other than pauper suits.	..	3	..	Toll fees on the Khyber Road.	94	1,09	1,05
Sale-proceeds of Government House furniture.	..	1	..	Rebate on Government passages.	..	2	..
Copying agency accounts	80	67	80	Land revenue ..	94	60	1,12
Staging bungalow fees ..	12	10	11	Excise receipts ..	1	11	11
Ferry receipts ..	1,70	1,32	1,50	Education receipts ..	3	2	3
Other items ..	78	29	11	Fees, fines and forfeitures and other items.	22	24	27
Total ..	3,38	2,42	2,52	Total ..	2,14	2,08	2,58

We have adopted the budget figure for 1931-32, as a fair normal figure. The net provincial receipts would then be 5,59 minus (2,58 plus 3)=2,98, and the net central receipts 2,61. Allocating refunds as one-third to provincial and two-thirds to central, we arrive at final figures of central 2,51, provincial 3,08.

P.—*Deposits.*

The only entries under this head with which we need concern ourselves are the amounts transferred to the Press Depreciation fund and to the Famine Relief fund. The account of the former fund is as follows :—

—	Opening balance.	Receipts.	Withdraw- als.	Closing balance.
	Rs.	Rs.	Rs.	Rs.
1926-27 .. .. .	..	68,66	32,16	36,50
1927-28	36,50	58,95	37,91	57,54
1928-29	57,54	66,05	48,44	75,15
1929-30	75,15	60,78	27,93	1,08,00
1930-31 (revised)	1,08,00	58,00	35,00	1,31,00
1931-32 (budget)	1,31,00	63,00	35,00	1,59,00

For the latter fund our remarks under the head 43—Famine Relief Fund may be referred to.

It is not necessary for our purposes to follow the various adjustments which will be made through other debt heads.

R.—*Loans and advances by provincial Government.*

We have assumed that the Loan Account will be provincialized in accordance with Devolution rule 23. A statement of this account for the last few years is annexed.

For the purposes of the financial settlement we have assumed that the receipts of, and payments from, the account will be equal and have adopted basic figures of 4,00 for each.

EXPENDITURE.
5.—*Land Revenue.*

(In thousands of rupees.)

—	Charges of ad- minis- tration.	Survey and settle- ment.	Land records.	Allow- ances to dis- trict and village officers.	Assign- ments and compen- sations.	Total.	Remarks.
Actuals—							
1926-27	23	4,08	2,71	10	15	7,27	
1927-28	23	2,90	2,76	9	25*	6,23	
1928-29	27	2,56	2,73	9	18	5,83	
1929-30	35	1,12	2,87	9	17	4,60	
1930-31	31	24	2,91	9	18	3,73	
Budget estimate—							
1930-31	40	23	2,95	10	18	3,86	
1931-32	23	2	2,92	10	18	3,45	
Basic figure adopted	..	..	..	..	..	3,50	
Normal annual growth.	..	..	..	..	..	+5	

* Includes arrear payments.

The expenditure booked under this head is incurred wholly in settled districts, the corresponding expenditure in agencies being debited to 29—Political. The increases under the minor head "Charges of Administration" during the period 1928-29 to 1930-31 are due to the inclusion of charges in connection with the forest conservancy of the Buner border since transferred to the head 8—Forests. No settlement operations are expected during the subvention period. The minor heads "Allowances to village officers" and "Assignments and compensations" cover more or less fixed charges.

6.—*Excise.*

(In thousands of rupees.)

—	District establi- shment.	Cost of opium.	Compen- sations.	Total.	Remarks.
Actuals—					
1926-27	50	28	4,07	4,85	
1927-28	70	42	4,87	5,99	
1928-29	82	39	4,47	5,68	
1929-30	89	47	4,47	5,83	
1930-31	98	57	4,47	6,02	
Budget—					
1930-31	1,02	58	4,47	6,07	
1931-32	1,02	48	4,47	5,97	
Basic provincial figure adopted	..	..	..	1,29	
Normal annual growth	..	..	..	+2	

The notes under the head VI—Excise may be referred to. We have eliminated from the provincial side the figure of 4,47 on account of the compensation paid to the Punjab and the United Provinces Governments for still-head duty, and transferred it to central.

Under the head "District Establishment" are included items of 15 paid as compensation to the Mehtar of Chitral, and 6 on account of the bonded *charas* warehouse at Chitral. This expenditure of 21 is incurred for the prevention of the smuggling of *charas* into British India, and we have treated it as central. The central figure under this head thus becomes 4,68.

For provincial commitments we have adopted a basic figure of 1,29 and would allow 2 for the normal annual increase

7.—*Stamps.*

(In thousands of rupees.)

	Non-judicial.	Judicial.	Total.	Remarks.
Actuals—				
1926-27	32	18	50	The increase was due to the payment of overhead charges on stamps supplied from the stores at Karachi during 1921-22 to 1923-24. These charges were formerly not recovered.
1927-28	19	11	30	
1928-29	20	6	26	
1929-30	22	6	28	Includes a further payment of 4 on account of overhead charges for 1921-22 and 1922-23.
1930-31	14	3	17	
Budget estimate—				
1930-31	19	5	24	
1931-32	16	5	21	
Basic provincial figure adopted .. ..	..	..	20	

The expenditure is provincial and is incurred wholly in the settled districts.

8.—Forests and 8-A.—Forest capital expenditure financed from Revenue.
(In thousands of rupees.)

—	8—Forests.				8-A—Forest capital.	
	Conser- vancy and Works.	Estab- lish- ment.	Interest on capital outlay.	Total.	Capital outlay on Forests, charged to Revenue.	Remarks.
Actuals—						
1926-27 ..	5,03	1,38	..	6,41	..	
1927-28 ..	5,24	1,61	7	6,92	2,58*	*Increase due to the construction of the Thai Kalabagh ropeway.
1928-29 ..	6,02	1,53	17	7,72	80*	
1929-30 ..	6,20	1,65	19	8,04	36	
1930-31 ..	5,71	1,89	23	7,83	29	
Budget—						
1930-31 ..	6,30	2,15	20	8,65	34	
1931-32 ..	6,37	2,26	24	8,87†	16	† After hypothetically allocating savings.
Basic provin- cial figure adopted ..	..	..	..	8,00	30	
Normal an- nual growth	..	..	..	+15	..	

8.—Forests.

This head records the forest expenditure incurred in the settled districts only. Forest expenditure in agencies is booked under 29—Political. The Conservator of Forests has asked for a basic provincial settlement of 8,00, which we agree is reasonable. The note under the head VIII—Forests may also be referred to.

8-A.—Forest Capital outlay financed from Revenue.

Under this head we suggest an annual grant of 30.

9.—Registration.

(In thousands of rupees.)

—	Amount.	Remarks.
Actuals—		
1926-27 ..	12	
1927-28 ..	13	
1928-29 ..	15	
1929-30 ..	14	
1930-31 ..	14	
Budget—		
1930-31 ..	15	
1931-32 ..	15	
Basic provincial figure adopted	15	

The expenditure is incurred entirely in settled districts.

14.—Interest on Works for which Capital Accounts are kept.

Year.	Actuals.
1926-27	9,71
1927-28	9,72
1928-29	9,86
1929-30	9,94
Revised, 1930-31	10,16
Budget, 1931-32	10,22
Basic provincial figure adopted	9,92
Normal annual growth	+10

We have recommended that the expenditure on the Upper Swat Canal should be wholly provincial. We understand that the local Administration have approached the Government of India for sanction to the closing of the capital account of the Paharpur canal. We support this recommendation. The canal is now extinct, and there is no object in continuing its capital account, nor in burdening the new province with the debt (905) and interest charges (31) on its account. Following these recommendations, the details of the provincial interest charges, which would be taken to this head in 1931-32, would then be :—

Unproductive.

	Capital outlay.	Interest chargeable.
Upper Swat Canal—		
Up to 1916-17, at 3·3252%	1,88,71	6,28
From 1917-18 to 1930-31 at 5·72%	16,85	..
Plus $\frac{1}{2}$ outlay for 1931-32	9	..
	16,94	97
Total interest on Unproductive .. .. .	..	7,25

Productive.

Up to 1916-17 at 3·3252%—		
Lower Swat Canal	50,13	1,67
Kabul River Canal	11,34	37
	61,47	2,04
From 1917-18 to 1930-31 at 5·72%—		
Lower Swat Canal	9,32	..
Kabul River Canal	1,28	..
Plus $\frac{1}{2}$ outlay in 1931-32—		
Lower Swat Canal	23	..
Kabul River Canal	10	..
	10,93	63
Total interest on productive .. .. .	..	2,67
Grand total interest .. .. .	..	9,92

We have taken this as the basic figure, and 10 as the normal annual increase. The interest rates are rising.

15. Other revenue expenditure financed from ordinary revenues.

16. } Irrigation capital expenditure.
55. }

For these heads our remarks under the major head XIII may be referred to. The Irrigation capital outlay is small and for the purposes of the subvention, may be assumed to be met from revenue.

19.—*Interest.*

The gross interest charges at present debited to this head, which represent interest payments on Government of India debt, will continue to be a central charge, and we have adopted the budget figure for 1931-32 of 162 for this purpose.

In the provincial section of the accounts will appear :—

(a) the interest on the “ pre-reform ” Irrigation debt.

(b) the interest on the “ pre-reform ” Provincial Loan Account debt.

The Irrigation debt at the end of 1931-32, excluding the Paharpur Canal, will be approximately :—

Productive	..	..	..	..	..	..	72,73
Unproductive	..	..	..	..	..	..	2,05,75
Total							..	2,78,48

This will carry interest at the rate of 3·3252 up to 1916-17 and thereafter at the rate of 5·1979, and the annual interest charge will be about 977.

The Provincial Loan Account debt at the end of 1932 will be approximately :—

Loans to municipalities	..	..	..	..	..	..	15,71
Loans to landholders and other notabilities	..	..	..	..	..	..	2,56
Advances to cultivators	..	..	..	..	..	..	16,77
Total							..	35,04

This figure includes some small but as yet unknown amount belonging to trans-border areas. The total provincial debt will thus be 3,13,52. It is not yet possible to say what rate of interest the Loan Account debt will carry, but assuming a maximum rate of 5 % the interest charge would be 1,75. The gross provincial interest charges under this major head would then be 11,52, from which must be deducted the interest charges transferred to commercial departments, namely 9,92 debitable to the Irrigation Department, and 25 debitable to the Forest Department, to arrive at the net figure of 1,35 debitable to this head. This net figure will decrease annually by about 5 as the Loan Account debt is repaid.

From 1929-30 onwards the figures include provision for the new Pay and Accounts Officer of the North-West Frontier Province. The net figures on this account were :—

1929-30	..	..	..	--	--	--	1,02
Budget—							
1930-31	..	..	..	..	--	..	1,16
1931-32	..	..	..	..	..	..	1,30

After the new constitution is introduced we anticipate that this office will be divided into two, a central Pay and Accounts office, and a provincial Pay and Accounts office, the cost of the latter being met entirely from provincial revenues.

There will be some inevitable increase in the total cost, to provide mainly for a gazetted officer for the new office.

Before the introduction of a separated Accounts office in the North-West Frontier Province the cost less certain overhead charges to the central Government of the establishment, etc., employed in both the accounts and the audit work of the North-West Frontier Province was 60. The present total cost after the separation of accounts from audit is about 200, made up as follows :—

Office of the Audit office, North-West Frontier Province	..	48
Local Fund audit	.. .. ..	15
Office of the Pay and Accounts Officer, North-West Frontier Province		1,37
		2,00
Total	..	2,00

Of this the fixed sum of 60 representing the previous cost is debited to 23—Audit, and the rest, 1,40, is debited to this head, 10 under the minor head Local Fund audit, and 1,30 (for the Pay and Accounts office) under the head Civil secretariat.

On the introduction of the new constitution in the province, Local Fund audit will probably be wholly provincialized, adding 4 to the head so named. The constitution of a separate Central Pay and Accounts office will cost about 30, and the cost of the present Pay and Accounts office could probably be reduced, in consequence, to a basic figure of 1,10. We thus arrive at basic figures of 30 Central, and 1,10 Provincial, for the Accounts offices, and 15 for local audit.

Excluding the current year's budget provision (1,41) for these purposes, the major head total for the current year stands at 18,78. We consider that a reasonable basic figure to adopt for the future would be 19,00, and would allow 27 for normal annual expansion. Adding the basic figures for the Accounts offices and for Local Fund audit, the total basic requirements under this head become—

Central	30	Provincial	20,25
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24.—Administration of Justice.

(In thousands of rupees.)

	Law officers.	Judicial Commissioner.	Criminal courts.	Civil and Sessions courts.			Total.	Grand Total.
				Pay of officers.	Pay of Establishment.	Other charges.		
Actuals.—								
1926-27	39	1,20	1,59	1,76	1,58	50	3,84	7,02
1927-28	44	1,27	1,59	1,95	1,60	47	4,12	7,42
1928-29	43	1,30	1,64	1,98	1,66	54	4,18	7,55
1929-30	49	1,34	1,65	1,98	1,65	60	4,23	7,71
1930-31	64	1,33	1,63	1,98	1,67	60	4,25	7,85
Budget estimate 1930-31 ..	40	1,38	1,61	2,03	1,68	56	4,27	7,66
Budget estimate 1931-32 ..	53	1,37	1,60	2,10	1,72	58	4,40	7,90
Basic provincial figure adopted.	..	..	..	..	..	..	..	7,90
Normal annual growth ..	..	..	..	..	..	..	..	+10

The whole expenditure is incurred in the settled districts. We consider that the current year's budget figure of 7,90 is a reasonable basic figure to adopt.

25.—Jails and Convict Settlements.

(In thousands of rupees.)

	Jails.	Jail manufactures.	Total.
Actuals.—			
1926-27	6,31	61	6,92
1927-28	6,49	75	7,24
1928-29	6,60	95	7,55
1929-30	7,21	1,02	8,23
1930-31	7,21	1,20	8,41
Budget estimate 1930-31 ..	7,64	1,10	8,74
Budget estimate 1931-32 ..	9,11	97	10,08
Basic provincial figure adopted	..	..	10,70
Normal annual growth ..	..	..	+10

The expenditure is incurred only in settled districts.

The budget figure for 1931-32 includes 1,87 for the new Central Jail at Haripur. Of this 56 is non-recurring and 1,31 recurring for 5 months. The full annual recurring charges for this jail we put at 2,50. Deducting 1,87 from, and adding 2,50 to, the budget figure for the current year we arrive at 10,71.

We propose a round 10,70 as the basic figure under this head. We have allowed 10 for normal annual growth. We contemplate that the basic figures we have adopted should cover all normal increases including increases in the number of prisoners.

26.—Police.

(In thousands of rupees.)

	Superintendence.	District Executive Force.	Criminal Investigation Department.	Special Police.	Railway Police.	Police training schools.	Cattle pounds.	Other items.	Total.	Remarks.
Actuals.—										
1926-27	1,03	24,34	93	22,96	1,31	10	3	2	50,72	*Is an approximate figure based on the revised estimate for 1930-31. Adjustment on this account will be made in the accounts for March 1931, Final.
1927-28	1,07	24,17	1,11	..	1,02	..	3	2	27,42	
1928-29	1,09	24,70	1,15	..	1,26	11	3	2	28,36	
1929-30	1,16	25,96	1,18	..	1,02	10	3	1	29,46	
1930-31	1,25	30,86	1,52	..	1,02	15*	3	2	34,85	
Budget estimate 1930-31	1,20	27,17	1,19	..	1,10	11	3	2	30,82	
Budget estimate 1931-32	1,18	28,20	1,26	..	1,06	10	3	2	31,85	
Basic provincial figure adopted.	..	..	..	..	..	..	..	..	30,75
Normal annual growth ..	..	..	..	..	..	..	..	..	+50

This expenditure is incurred wholly in settled districts.

The actuals for the year 1930-31 were swollen by the disturbances of last year and a supplementary grant of some 3½ lakhs proved necessary on this account. The figure for the current year's budget includes 1,30 for temporary additions to the police force sanctioned in the first instance up to July 1931 on account of:—

- (a) temporary police for railway defence, (9), which is purely a temporary force entertained on account of the Afridi situation, and
- (b) general increases in the police force of the Province (121), which are still under the consideration of the Government of India.

Excluding this, the current year's budget would have been 30,55. The current year's budget, however, does not include any provision for King's Police medal allowances for which 6 will be necessary. Again we are informed that 15 was, as a measure of retrenchment, cut from the appropriation for "clothing" in the mistaken belief that this grant was a contingent grant. The grant, however, represents clothing allowances paid to police officers and we understand that the cut will have to be restored. Adding these items to the figure already mentioned we arrive at 30,76. We propose a basic figure of 30,75 and an annual rate of growth of 50, which is based almost entirely on a calculation of increments of pay.

30.—*Scientific departments.*

Actuals—

1926-27	..	..	..	..	..	..	6
1927-28	..	..	..	..	..	..	5
1928-29	..	..	..	..	..	..	5
1929-30	..	..	..	..	..	..	5
1930-31	..	..	..	..	..	..	5
Budget 1930-31	..	..	..	..	..	..	5
Budget 1931-32	..	..	..	..	..	..	5
Basic provincial figure adopted	..	..	..	..	..	..	5

This small item of expenditure is incurred in the settled districts and calls for no comments.

31 — *Education.*

(In thousands of rupees.)

—	Univer- sity.	Secon- dary.	Pri- mary.	Special.	General.	Total.
Actuals.—						
1926-27	1,64	3,58	6,48	7	1,47	13,24
1927-28	1,89	4,54	9,31	23	1,76	17,73
1928-29	2,62	4,44	9,39	27	1,87	18,59
1929-30	2,66	4,76	10,06	25	2,03	19,76
1930-31	2,28	4,99	10,84	26	2,18	20,55
Budget estimate 1930-31	2,41	5,02	10,93	30	2,15	20,81
Budget estimate 1931-32	1,62*	7,72*	9,29*	1,09*	2,39	22,11
Basic provincial figure adopted.	..	..	..	..	..	20,00
Normal annual growth ..	..	..	..	..	..	+20

*These variations are due to changes of classification between these heads.

This expenditure is wholly incurred in the settled districts and has progressively increased in recent years because of the 5 years' programme of educational expansion. The current year's budget contained provision necessary to complete this programme, and of it about 2,09 is non-recurring. Excluding this item we judge that 20,00 would be a fair basic figure to adopt for the liabilities of the existing activities of the department, and would allow 20 as the normal annual increase. This figure includes no provision for future building programmes, for this has been included in the schedule of new demands placed before us, which we have recommended should be separately considered. Incidentally this basic figure does include, on the other hand, 66 on account of the new educational schemes included in that schedule, which have been financed to this extent in the current year. The figure in the schedule, of course, excludes the amount thus provided in the current year.

32.—Medical.

(In thousands of rupees.)

	Medical estab- lishment.	Hospitals and dispen- saries.	Medical colleges and schools.	Total.	Remarks.
Actuals.—					
1926-27	1,72	2,93	44	5,09	
1927-28	1,56	2,15	50	4,21	
1928-29	1,63	1,99	59	4,21	
1929-30	1,76	3,81	60	6,17	
1930-31	2,12	3,03	11*	5,26	*An adjustment of about 48 payable to the Punjab Government will be made in the accounts for March 1931, supplementary.
Budget estimate 1930-31	1,97	4,44	50	6,91	
Budget estimate 1931-32	2,14	5,59	54	8,27	
Basic provincial figure adopted.	..	..	..	5,87	
Normal annual growth	..	..	..	+8	

This expenditure is all incurred in settled districts. Of the budget grant for 1931-32 the Finance Department have resumed 1,39, reducing the appropriation to 6,88. This contains 1,20 non-recurring and 6 recurring (for 3 months) for the construction and staffing of 6 new dispensaries. The full annual recurring charges on this account may be taken at 25. We have taken as a basic figure for this head $688-126+25=587$, and would allow a normal annual increase of 8. As in the case of Education, no provision is here made for non-recurring charges, which are included in the special scheme of expansion.

33.—Public Health.

(In thousands of rupees.)

	Public Health estab- lishment.	Grants for pub- lic health purposes.	Expenses in con- nection with epi- demic diseases.	Total.	Remarks.
Actuals.—					
1926-27	36	45	24	1,05	
1927-28	38	27	20	85	
1928-29	38	18	46	1,02	
1929-30	40	30	26	1,05	
1930-31	50	43	20	1,13	
Budget estimate 1930-31	58	45	26	1,29	
Budget estimate 1931-32	60	45	24	1,29	
Basic provincial figure adopted.	..	..	..	1,30	
Normal annual growth. ..	..	..	..	+3	

With the exception of some probably small but unascertainable amount under the head " Expenses in connection with epidemic diseases " the whole of this expenditure is incurred in the settled districts.

34.—Agriculture.

(In thousands of rupees.)

	Agri- culture.	Veteri- nary charges.	Co-opera- tive credit.	Total.
Actuals—				
1926-27	1,02	43	5	1,50
1927-28	93	56	7	1,56
1928-29	70	66	17	1,53
1929-30	74	81	38	1,93
1930-31	83	73	58	2,14
Budget estimate 1930-31	90	92	69	2,51
Budget estimate 1931-32	99	107	78	2,84
Basic provincial figure adopted .. .. .	..	..	..	2,84
Normal annual growth .. .. .	..	..	..	+ 5

The sanctioned budget for 1931-32 contains 43 recurring " new " money. The expenditure is incurred in the settled districts.

36.—Industries.

There has recently been no expenditure under this head.

37.—Miscellaneous departments.

(In thousands of rupees.)

Actuals—				
1926-27	3			
1927-28	2			
1928-29	2			
1929-30	2			
1930-31	2			
				An adjustment of about 1 will be made in accounts for March 1931, Final, on account of the share of the pay of the Factory Inspection staff payable to the Punjab Government.
Budget estimate 1930-31	3			
Budget estimate 1931-32	3			
Basic figure proposed	3			

We have transferred the provision for census to central. This leaves a normal provincial figure of 3.

41.—Civil Works.

Heads.	Actuals.				Budget.	Actuals.	Budget.	Basic figure.
	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1930-31.	1931-32.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Original works—								
(a) Civil Buildings ..	..	..	..	6,97	16,22	Figures not available	11,74	3,00
(b) Communications ..	15,80	7,56	10,15	6,16	2,80		1,96	4,50
(c) Miscellaneous ..	..	..	..	..	1,22		..	..
2. Repairs	26,55	13,59	15,61	19,83	23,00		20,00	25,57
3. Establishment ..	6,87	3,22	4,36	4,23	6,46		5,03	3,30
4. Other items Deduct English charges ..	68	29	82	86	65		51	70
	..	—2	—12	..	..		..	..
Total ..	49,00	24,64	30,82	38,05	50,35	48,85	39,24	37,07
Normal annual growth								+13

The large increase in 1930-31 is due to the construction of the new Central Jail at Haripur which will be completed in the current year.

As we have explained elsewhere, the works whose cost is debited to this head are executed by the Military Engineering Service, who debit the civil departments under this head and under the head 29-A, with a proportionate share of the actual total establishment charges incurred by the Military Engineering Service in executing both civil and military works. In addition they charge the civil departments a certain percentage ($1\frac{1}{2}$) of the civil works expenditure to cover tools and plant charges.

Head 1 (a)—Buildings.

The schedules of new schemes on pages 27—30 include their own building programmes. In fixing a basic figure under this head we have only to consider, therefore, the normal requirements of those provincial departments whose needs are not provided for in these schedules. The average actual expenditure on original works, buildings, for these departments during the years 1924-25 to 1928-29 was 2,92, and we have adopted a round figure of 3,00 as the basic figure.

Head 1 (b)—Communications.

The Secretary in the Public Works Department has asked for a sum of 4,50 under this head which we have adopted as reasonable.

Head 2—Repairs.

We have accepted the proposals of the Secretary in the Public Works Department for a basic figure of 19,75 (2,75 for buildings and 17,00 for roads) under this head. His proposals however include repairs to certain roads which are situated in agencies, the cost of the repairs of which we estimate at 1.25. We have taken this to central and the rest 18,50 to provincial.

We have recommended that all roads of military importance situated within the settled districts should be under the control of the provincial Government. The maintenance and repair charges of these roads are at present debited to the major head 29-A. We have calculated that there are 468 miles of such roads within the settled districts. Their average cost of maintenance calculated from statements supplied to us by the Secretary in the Public Works Department is about 7,07. Adding this to the figure of 18,50 already reached we arrive at 25,57 for Repairs.

Head 3—Establishment.

We have recommended that a provincial civil Public Works Department should be created and amalgamated with the existing Irrigation Branch. There would be a combined establishment for both branches and it will be necessary to provide under this head for the extra establishment, which, added to the existing Irrigation establishment, could execute the works covered by our basic figures under this major head. The Secretary for Irrigation estimates that, were his existing organization to be expanded by the addition of one Superintending Engineer, two divisions, and some sub-divisions, it could execute these works in addition to Irrigation works. He estimates the cost of this expansion at about 3,30, which we have adopted as reasonable.

It will be interesting roughly to compare the cost to the provincial Government of this proposal with that of existing arrangements. The existing establishment charges booked under this head are the Military Engineering Service establishment charges distributed *pro rata* as already described. The average percentage which they bear to the average expenditure on works booked under this head during the years 1926-27 to 1929-30 is 15.5. We are assuming a basic works expenditure of 33,07. At 15.5 per cent. the cost of the Military Engineering Service establishment which would be required to execute this amount of work would be 5,12. The cost of our proposals is 3,30, showing a saving to provincial revenues of 1,82.

Head 4—Other items.

We have adopted 70 under this sub-head for tools and plant.

It should be remembered that the basic figure we have adopted under this major head does not provide for the increase of establishment which would be necessary to undertake the large programmes of new building mentioned in the schedules on pages 27—30, and when these programmes have been settled, it will be necessary to make an addition under this head on that account. This would incidentally augment the savings on establishment charges as compared with the Military Engineering Service charges *vide note* under head 3 above.

Certain expenditure on ecclesiastical buildings is at present debited to this head, which will in future be central. This we have assumed to be 9 making the total central share of the head 1,36.

We suggest that the same principles which were adopted in allocating pensionary liabilities on the occasion of the introduction of reforms into Coorg should be applied to the North-West Frontier Province. These are contained in Article 190-A of the Audit Code. In effect they mean that all pensions actually paid in the North-West Frontier Province on the date of reforms will be a liability of the province. This enables us to fix a basic figure on the data of existing actuals under this head, and we propose 4,90. The future of the head is less certain, but we propose a normal annual increase of 10 for the Indian charges.

46.—*Stationery and Printing.*

Heads.	Actuals.				Budget.	Actuals.	Budget.
	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1930-31.	1931-32.
1. Government Presses ..	77	1,06	1,01	1,22	1,29	1,17	1,26
2. Printing at private presses ..	4	..	..	..	..	..	..
3. Lithography ..	15	1	..	..	..	..	..
4. Stationery supplied from central stores ..	29	..	..	..	..	..	..
5. Discount on plain paper	..	..	..	1	1	1	1
Total ..	1,25	1,07	1,01	1,23	1,30	1,18	1,27
Basic provincial figure adopted ..	..	..	..	..	..	..	2,00
Normal annual growth ..	..	..	..	..	..	..	+5

The figures under this head do not include stationery of all sorts, which hitherto has been supplied free to the province. The value of stationery "issued", that is, used, during the past few years was—

	Provincial departments.	Central departments.	Total.
1927-28	62	2	64
1928-29	79	5	84
1929-30	84	7	91
1930-31 (Approximate)	63	7	70
1931-32 (Estimate)	1,09	7	1,16

We have adopted a basic figure of 7 for central requirements and 72 (the average of the four years' actuals) for provincial requirements.

Under the new constitution central departments will presumably either pay for any work done in the local Government presses, or, more often, will be required to send their printing work to a Government of India Press. The

amount of this work at present is about 7. This factor is however off-set by the fact that the local press at present pays 8 for work done in private presses which it cannot cope with itself. Relieved of central printing it should be able to do so. The manager of the press estimates that 25 per cent. of the work that his press performs could be allocated to agencies. This estimate appears to be unduly high. In 1929-30 the total value of the work done by this press was 53, of which about 7 appears to have been done for the agencies. The manager of the Jail press states that the amount of work which his press performs for agencies is negligible. There is sure to be, on the other hand, some increase in printing work after the reforms, and we have concluded that the present expenditure on the presses will not on the whole be capable of much reduction. We therefore propose a basic figure of 1,27 for the presses (including the discount on plain paper) and 72 for stationery, or 200 round, Central 7.

47.—Miscellaneous.

(In thousands of rupees.)

	Grants-in-aid to district boards.	Guarantees paid to the Posts and Telegraphs Department for Post and Telegraph offices.	Donation for charitable purposes and charges on account of European vagrants.	Irrecoverable temporary loans written off.	Other items.	Total.	Remarks.
<i>Actuals—</i>							
1926-27 ..	52	..	2	3	18*	75	*Includes 16 on account of "Darbar presents", the expenditure under which head has been transferred since 1927-28 to "29—Political".
1927-28 ..	56	..	2	..	1	59	
1928-29 ..	56	8	4	2	1	71	
1929-30 ..	67†	7	5	..	1	80	†A grant of Rs. 11,700 was inadvertently paid twice to the District Board, Hazara. This was however repaid by the District Board and credited under head "XXXV—Miscellaneous".
1930-31 ..	54	†	6	8	1	69	†The adjustment for 1930-31 has yet to be made.
<i>Budget estimate—</i>							
1930-31 ..	55	9	3	2	6§	75	§Includes 5 for re-grant of savings in contract grants for contingencies under various heads.
1931-32 ..	55	10	6	2	6§	79	
Basic figure adopted ..	..	..	..	..	..	80	

This head calls for no comment. The figures concern the settled districts only.

Expenditure in England.

These figures are apparently not obtainable in India. Possibly the High Commissioner for India may be in a position to supply them.

60—B.—*Commutati n.*

The prospects of this head are difficult to foresee. The province will be living on a deficit and presumably will not welcome, nor will it have any incentive to encourage, the discharge of its pensionary liabilities to other provinces by commuting them. We therefore assume that the province will adopt the method of accepting debits for its actual pensionary charges paid by other Governments.

In the past there have been no commuted payments to other Governments, and the gross charges under this head represent payments to pensioners. The net payments under this head have already entered the central accounts, and have either been already met from revenue, or are in process of being met from revenue, by equated instalments with interest—to what extent in each case it is, however, impossible for us to say. Nevertheless we do not contemplate that any liability need be transferred to the new province representing the remainder of the as yet unpaid equated instalments.

The tendency will be, we believe, for commutation charges paid to pensioners to rise, and for recoveries from other Governments on account of transferred pensions to fall. Since the introduction in 1926-27 of the system of treating commutation charges as capital charges, the following have been the actuals under this head :—

	Paid in 1926-27, adjusted in 1927-28.	Paid in 1927-28, adjusted in 1928-29.	Paid in 1928-29, adjusted in 1929-30.	Paid in 1929-30, adjusted in 1930-31.	Paid in 1930-31, adjusted in 1931-32.	Basic figure adopted.
Commutated value of pensions ..	9	1,45	1,28	1,86	2,11	2,75
<i>Deduct—</i>						
(1) Account financed from Revenue.	..	..	..	..	..	1,75
(2) Account recovered from other Governments.	85	85	107	93	Not yet adjusted.	1,00
(3) Capital portion of equated payments from Revenue.	..	..	..	..	..	..
Net amount not charged to Revenue	—66	60	21	73	..	..

We consider that the local Government will probably require a net provision of 1,75 a year to meet its commutation charges, and the question arises how this is to be provided. There appear to be three possible methods :—

1. by providing 1,75 a year in the revenue subvention,
2. by assuming that the local Government will borrow this amount each year, and providing in the revenue subvention for the amortization of the loans,
3. by starting a Commutation Fund.

Method 1.—This could be achieved by providing 1,75 under the major head 45-A. The difficulty of this method lies in the fact that commutation charges cannot be gauged with any pretence to accuracy. Should the charges in any year be less than 1,75 the revenue position of the local Government would be unnecessarily bettered : should the charges, however, be more than 1,75, then the local Government would probably not be able to meet them.

Method 2 would mean that in about the 10th year the local Government would be repaying as much as they are borrowing.

Method 3 is possibly the best. An appropriation of 1,75 could be provided in the revenue section of the accounts, and any amount of it not required to finance the net charges under the major head 60-B, could be transferred to the deposit section of the accounts to a fund to be called the "Commutation Fund". This fund would form part of the Provincial balance but would only be available for expenditure on Commutation charges. Appropriations from the fund could be secured by operating on two new heads, namely, "Amounts transferred from the Commutation fund" and "Amounts transferred to the Commutation fund", on the receipts and disbursement sides, respectively, of the revenue section of the accounts. If necessary, the fund could be replenished at any time by borrowing.

For the sake of simplicity, we have shown this 1,75 under the head 45-A.

P.—Deposits and R.—Loans and Advances.

Our remarks under the receipt sides of these Debt heads may be referred to.

General.

A consolidated statement embodying the above basic figures is appended together with figures from the year 1929-30 onwards. These latter figures have been compiled after applying the Devolution Rules to them, that is, on the assumption that this province was a major local Government during those years. This has been done in order to facilitate a comparison of the basic figures we have adopted with 3 years' past figures cast in the same mould. To verify these figures with the booked actuals for 1929-30, and the sanctioned budget for 1931-32, it is only necessary to subtract from the central and provincial sum totals for these years the following assumed appropriations :—

1. 11,52 under 19-Interest.
2. The appropriation under head 21-331 in 1929-30, and 300 in 1931-32.
3. The appropriation of 25 under 43-Famine.
4. The appropriations of 73 and 111 under 45-A, Commutation, in 1929-30 and in 1931-32, respectively.
5. The appropriation of 91 in 1929-30, and 79 in 1931-32 under 46-Stationery and Printing on account of paper.

Total 16,72 for 1929-30 and 16,67 for 1931-32.

A statement separating in detail Provincial from Central Receipts

Head of Account.	Receipts.						Basic figure.
	Central.			Provincial.			
	1929-30.	1930-31.	Budget 1931-32.	1929-30.	1930-31.	Budget 1931-32.	
I—Customs	1	1	2	..	..	..	..
II—Taxes	9,87	8,14	8,89	..	..	..	..
V—Land Revenue .. .. .	..	..	..	21,07	17,21	21,01	21,24
VI—Excise .. .. .	..	..	..	10,72	9,28	9,95	9,50
VII—Stamps .. .. .	..	..	..	10,91	9,06	9,89	10,00
VIII—Forests .. .. .	..	7	30	8,64	7,04	9,70	8,80
IX—Registration .. .. .	..	..	..	76	64	69	70
XIII—Irrigation :							
Gross receipts .. .. .	..	..	..	19,96	14,78	21,71	18,60
Deduct—Working Expenses .. .. .	..	..	..	—10,53	—10,60	—8,64	—10,20
Net .. .. .	..	..	..	9,43	4,18	13,07	8,40
XVI—Interest	7	9	6	71	83	87	90
XVII—Justice .. .. .	..	..	..	1,92	1,69	1,65	1,70
XVIII—Jails .. .. .	..	..	..	1,36	1,23	1,39	1,45
XIX—Police .. .. .	..	..	..	66	15	68	10
XXI—Education .. .. .	..	..	..	64	60	63	65
XXII—Medical .. .. .	..	..	..	37	87	77	80
XXIII—Public Health .. .. .	..	..	..	2	5	5	5
XXIV—Agriculture .. .. .	..	..	..	32	35	35	32
XXVI—Miscellaneous Departments .. .. .	..	..	..	2	68	2	70
XXVII—Currency	7	6	7	..	..	..	..
XXX—Civil Works	2	2	2	43	56	53	1,63
XXXIII—Receipts Superannuation	11	5	7	28	28	28	33
XXXIV—Stationery .. .. .	..	..	..	62	52	29	27
XXXV—Miscellaneous	2,08	1,88	2,51	4,29	3,23	3,08	3,08
Total Revenue Receipts	12,23	10,32	11,94	73,17	58,45	74,90	70,62
<i>Capital Receipts.</i>				<i>Nil.</i>			
P.—Deposits .. .. .	..	..	..	31	31	31	31
R.—Loans and Advances .. .. .	..	..	..	2,60	4,06	4,92	4,00
Total Receipts .. .. .	..	..	..	76,08	62,82	80,13	74,93

and Disbursements, and giving basic figures in comparison.

Head of Account.	Disbursements.						Basic figure.	Figure of normal growth.
	Central.			Provincial.				
	1929-30.	1930-31.	Budget 1931-32.	1929-30.	1930-31.	Budget 1931-32.		
1—Customs	14	15	15	..	..	..	..	..
2—Taxes	73	76	79	..	..	..	..	..
5—Land Revenue .. .. .	..	..	..	4,60	3,74	3,45	3,50	+ 5
6—Excise	4,68	4,68	4,68	1,15	1,34	1,29	1,29	+ 2
7—Stamps .. .. .	..	..	..	28	17	21	20	..
8—Forests .. .. .	..	..	..	8,04	7,82	8,87	8,00	+ 15
8-A—Forests Capital .. .. .	..	..	..	36	30	18	30	..
9—Registration .. .. .	..	..	..	14	14	15	15	..
14—Interest .. .. .	..	..	..	9,94	10,16	10,21	9,92	+ 10
15—Irrigation—A	45	10	5	2,76	3,15	2,50	5,92	+ 12
15—Irrigation—B .. .. .	..	..	..	1,38	1,70	95		
16—Irrigation Capital .. .. .	..	..	..	53	28	19		
19—Interest Gross	1,67	1,69	1,62	11,52*	11,52*	11,52*	11,52	+ 15
Deduct—Irrigation .. .. .	..	..	..	-9,94*	-10,16*	-10,21*	-9,92	+ 10
Forest .. .. .	..	..	..	-19*	-22*	-24*	-25	..
Net .. .. .	..	..	..	1,39	1,14	1,07	1,35	- 5
20—Interest	57	65	71	..	..	..	..	..
21—Debt .. .. .	..	..	..	3,31*	3,00*	3,00*	3,00	..
22—General Administration	25	30	30	19,01	19,48	19,89	20,25	+ 27
24—Justice .. .. .	..	..	..	7,71	7,85	7,90	7,90	+ 10
25—Jails .. .. .	..	..	..	8,23	8,41	10,08	10,70	+ 10
26—Police .. .. .	..	..	..	29,46	34,84	31,85	30,75	- 50
28—Ecclesiastical	81	87	86	..	..	..	..	..
29—Political	24,38	27,77	27,16	..	..	..	..	..
29-A.—Watch and Ward	1,45,24	1,44,81	1,33,86	..	..	..	..	..
30—Scientific Departments .. .. .	..	..	..	5	5	5	5	..
31—Education .. .. .	..	..	..	19,77	20,55	22,11	20,00	+ 20
32—Medical .. .. .	..	..	..	6,17	5,26	8,27	5,87	+ 8
33—Public Health .. .. .	..	..	..	1,05	1,13	1,29	1,30	+ 3
34—Agriculture .. .. .	..	..	..	1,93	2,14	2,84	2,84	+ 5
35—Industries .. .. .	..	..	..	..	..	..	..	..
37—Miscellaneous Departments .. .. .	..	27	35	2	2	3	3	..
38—Currency	3	4	5	..	..	..	..	..
41—Civil Works	1,36	1,36	1,36	36,69	47,49	37,98	37,07	+ 13
43—Famine .. .. .	..	..	..	25*	25*	25*	25	..
44—Pensions	53	48	46	..	..	..	..	..
45—Pensions Commutation .. .. .	..	..	..	4,80	4,79	4,89	4,90	+ 10
45-A.—Commutation .. .. .	..	..	..	75*	1,11*	1,11*	1,75	..
46—Stationery	7	7	7	2,07	1,90	1,99	2,00	+ 5
47—Miscellaneous .. .. .	..	..	..	80	68	79	80	..
Expenditure in England .. .. .	..	..	..	Not known.	..	..	..	..
Total Revenue Expenditure	1,80,91	1,84,00	1,72,47	1,72,62	1,88,89	1,83,27	1,80,01	+ 2,00
Revenue deficit	1,68,68	1,73,68	1,60,53	99,45	1,30,44	1,08,37	1,09,47	..
<i>Capital Expenditure.</i>								
55—Irrigation Capital .. .. .	..	..	..	3,00	52	67	†	..
60-B—Commutation .. .. .	..	..	..	..	..	..	..	..
Gross .. .. .	..	..	..	1,66	2,11	2,11	2,75	..
Deduct—Recoveries .. .. .	..	..	..	-93	-1,00	-1,00	-1,00	..
Deduct—Amount financed from revenue .. .. .	..	..	..	-73	-1,11	-1,11	-1,75	..
Net not charged to Revenue .. .. .	..	..	..	..	..	..	..	..
P—Deposits .. .. .	..	..	..	3	3	4	4	..
R—Loans and Advances .. .. .	..	..	..	10,37	1,97	2,25	4,00	..
Total Disbursements .. .. .	..	..	..	1,86,02	1,91,41	1,86,23	1, 4, 13	..

† Included in the basic Irrigation figure in the Revenue Section of the Accounts.

* Assumed appropriations.

MINUTE OF DISSENT.

MINUTE OF DISSENT BY RAI BAHADUR THAKUR DATTA DHAVAN, RETIRED
DISTRICT JUDGE, MANAGING DIRECTOR OF THE FRONTIER BANK LIMITED
AND PRESIDENT OF—

1. BHRATRI SABHA, DERA ISMAIL KHAN.
 2. VEDIC BHRATRI COLLEGE COUNCIL, DERA ISMAIL KHAN.
 3. ARYA VIDYA SABHA, DERA ISMAIL KHAN.
 4. ARYA MEGH UDDHAR SABHA, SIALKOT.
 5. GURUKULA SOCIETY, GUJRANWALA.
-

PERSONAL.

Born at Dera Ismail Khan in 1854, I am a native of the North-West Frontier Province. Entered Government ministerial service in April 1873, was for years Personal Assistant to Colonel Macaulay, Deputy Commissioner, and was with him when the town of Tank was raided and burnt by the Mahsuds in 1879. When the Judicial reorganization scheme was introduced in the Punjab in 1884, was appointed Clerk of Court and Head Translator to the Divisional Court, Derajat. After passing with credit the departmental Law Examination in Civil, Criminal, Revenue and Treasury, was appointed in May 1892 to the Provincial Civil Service as Extra Assistant Commissioner, and was posted to Dera Ismail Khan, as Treasury Officer and *ex-officio* Secretary, Municipal Committee. Was transferred to Dera Ghazi Khan and Sialkot, and thence to the Delhi Division, where I was for several years at Karnal, Hissar, Delhi and Gurgaon. Was Sub-Divisional Officer at Kaithal (Karnal district), and on special duties (1) for trying gangs of Sansi criminal tribes, (2) on Famine relief, and (3) on Census operations of 1901.

When the North-West Frontier Province was formed in November 1901, was selected for the post of Registrar to the Judicial Commissioner. After three or four years in that office, was sent to Hazara as District Judge, the highest post then open to an Indian here ; was thence transferred as District Judge of Bannu *cum*-Dera Ismail Khan, and as District Judge of Hazara and Bannu. Was Vice-president in charge of District Boards and Municipalities.

In June 1909 retired on pension, after having "creditably" (as the Judicial Commissioner remarked) served Government for 36 years, without a single day of absence on sick leave. I then went to Lahore and joined the social reform and religious activities of the Arya Samaj, as its President. In

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February 1917, when the Great War was at its worst for the Allies, and there was paucity of competent officers, Sir George Roos-Keppel, Chief Commissioner, appealed to me to assist the administration of my native district, and I accordingly took up at Dera Ismail Khan the work of Honorary Sub-Judge and Additional District Magistrate. Devoted much of my time to these honorary duties for six years, till May 1923. During these years was in magisterial charge of the largest thana (Police circle) and had to dispose of many big civil suits as also cases under the Frontier Crimes Regulations. The Deputy Commissioners highly approved of my honest and laborious work and the Judicial Commissioners specially noticed it in their Annual Reports, Civil and Criminal. When I asked to be relieved of my honorary duties Sir John Maffey, Chief Commissioner, wrote to me :—

“ But I cannot let pass the occasion of your retirement without expressing to you my heartiest thanks, both in my personal and in my official capacity, for the arduous and self-sacrificing work which you have carried on for so many years. You have worked in an honorary capacity harder than any stipendiary magistrates, and the Government and the people of Dera Ismail Khan district have been fortunate in being able to receive the fruits of your ripe experience and accurate legal knowledge for so long after you ceased to be on the active list, and in asking you to accept my thanks, I would ask you to accept also my best wishes for your health and happiness in your retirement.”

Was honoured by Government with the title of “ Rai Bahadur ” and was granted Special Sanad by order of His Excellency the Viceroy for doing good work in connection with the second War Loan.

Am Managing Director of the Frontier Bank Limited ; President—Founder of the Bhratri Sabha, which since forty years is conducting the Victoria Bhratri High School, open to all communities, having on its rolls over 800 students ; am President of the Council of the Vedic Bhratri College, which was started mainly through my efforts in May 1921. In it both Hindu and Muslim students are being educated. Am President of the Arya Vidya Sabha (Education Society) which maintains the Arya Girls’ School, with its four Branches, and over 1,000 pupils. Am President of Gurukula Society, Gujranwala, which maintains an unaided Residential High School, as also of the Arya Megh Uddhar (Uplift) Society, Sialkot, which has purified some 80,000 Megh untouchables, and has been granted by Government for their benefit 52 squares of Canal Colony land.

Am author of two booklets, “ Truth ” and another on “ Public Spirit ”, as also of an Urdu book on Vedic Mission.

This brief sketch will show that during the past 57 years I have been in touch with various officials and departments, as also with public philanthropic activities, and that I have thus had ample opportunities of mixing with all sorts of people on the frontier and elsewhere, and of becoming acquainted with their ways, feelings and thoughts.

THAKUR DATTA.

NOTE.—In view of the momentous problems discussed the writer’s individuality is of little consequence, but egotistic though it may appear, it is due to the exalted personages for whom it is intended, that he should acquaint them with his antecedents and experiences, to show that he is not a theorist or a prejudiced communalist.

PART I.—PRELIMINARY.

Subjects Committee : its genesis.—The genesis of this Committee lies in the proceedings of the Indian Round Table Conference, held in London, 12th November 1930 to 19th January 1931. Its Sub-Committee No. V, presided over by Mr. A. Henderson, Secretary of State for Foreign Affairs, in paragraphs 5 and 8 of their Report wrote as follows :—

“5. **The classification of provincial subjects.**—The Sub-Committee recommends that, as in other Governors’ provinces, there should be a classification of provincial subjects entrusted to the charge of the provincial Government. The precise discrimination of subjects between the Centre and the North-West Frontier Province will require careful investigation, if necessary, by a specially constituted Committee, following broadly the lines of the classification in other provinces. Subject to the findings of such a committee the Sub-Committee contemplates that the charge of the ordinary civil police in the five administered districts excluding the frontier constabulary will pass to the provincial Government of these districts, but in view in particular of the close relation of the province with matters of defence and foreign policy the Sub-Committee considers it essential that all matters of all-India importance and all matters connected with the control of the tribal tracts, for instance, the frontier constabulary, frontier remissions and allowances, and strategic roads, should be excluded from the purview of the provincial Government and classed as central subjects. The broad point is that in making the dividing line between central and provincial subjects, regard would be had to the need for classifying as central certain subjects of all-India importance peculiar to the present administration of the North-West Frontier Province, which could not properly be entrusted to the provincial legislature.”

“8. **The Financial Settlement.**—The Sub-Committee is satisfied from figures placed before it that on subjects which may be expected to be classed as provincial, the province will show a large financial deficit. It follows that the provincial Government will require financial assistance from central (or federal) revenues. The Committee suggests that there should be preliminary expert investigation into the allocation of the expenditure between central and provincial heads to supply the basis from which the financial subvention from central (or federal) revenues may be calculated. The Sub-Committee apprehends that if the subvention be open to debate annually in the central (or federal), legislature, the substance of provincial autonomy in the North-West Frontier Province may be impaired. It suggests that the difficulty might be met by an agreed convention that each financial assignment should run undisturbed for a period of years.”

2. The terms of reference.—The Government of India in their resolution of 2nd May, 1931, after reproducing the above paragraphs “decided that the enquiry into the classification of subjects and into the consequent financial settlement should be entrusted” to this Committee with the following terms of reference. “With reference to the report of Sub-Committee No. V. of the Round Table Conference, to make recommendations as to the classification of subjects in the North-West Frontier Province as provincial or central; and, on the basis of the classification proposed, to examine the allocation of expenditure between central and provincial heads, and to report the extent to which it would be necessary to supplement the provincial revenues in order to meet the charges under the provincial heads.”

3. Scope of enquiry.—At the first meeting of the Committee on 5th May, 1931, the question which I thought required elucidation was:—

“How far the recommendations of the Sub-Committee of the Round Table Conference are to be taken as authoritative dicta circumscribing the enquiry. Am I right in assuming that these are mere recommendations which will perhaps have to be modified into a final shape, as a result of further discussion based partly on the report of our Committee? A second Round Table Conference, I understand, will be held which will examine the proposals and come to decision on the several points and that it is our duty to help it in coming to right conclusions.”

The ruling of the Chairman was that “the terms of reference to the Committee specifically arose out of the proposals of the Sub-Committee of the Conference, and that for purposes of our enquiry we were bound to assume the broad scheme indicated by the Conference. At the same time in the particular matters referred to us the Sub-Committee had expressed no final views, though it had no doubt given certain indications of general principles. On the particular subjects of our enquiry therefore we were free to come to our own conclusions.”

In reply to a further question he ruled that it was not open to the Committee to go into the possibilities of enlarging the area of the North-West Frontier Province, in order to reduce the financial deficit or to do away with the necessity of a subvention.

4. Adverse circumstances.—The proceedings of our Committee have unfortunately not been conducted in a calm environment necessary for deciding which subjects should be made over to the future provincial administration, and which should be retained under the central Government. The disturbances of last year in Peshawar City, in Charsadda Tahsil, in Bannu and elsewhere in the province, wrongly attributed to a desire for self-rule, had produced a disquieting effect on the minds of the officials. The fact that the Afridis had joined the malcontents in promoting disorder and the threatening attitude of certain other trans-border tribes had caused great uneasiness. The enlistment of large contingents of “Red Shirts” who are a menace to good government, and the agitation carried on in the name of the Indian

National Congress, created an atmosphere charged with the miasma of Civil Disobedience.

5. **The inferiority complex.**—The wire pulling which led certain discontented or deluded persons to hold meetings and pass resolutions for “equality in all details with the major provinces”, moreover, served as a spectre, which led some members to apprehend that if they did not yield to these peremptory demands, it would be very difficult, if not impossible, to carry on the administration. The bug-bear of the so-called “inferiority complex” has to my mind played a still more important part in leading to the conclusions which the majority has formulated. This last aspect of the problem requires careful consideration. One can understand a nation’s protest against racial discrimination, when the rulers did assume an air of superiority and looked down upon the Indians as a subject race. But that sense of personal inferiority is almost gone. Indians are now admitted on equal terms into the Civil Service, are given the King’s Commissions, hold some of the highest posts in the service—Deputy Commissioners, Commissioners, Judges, Chief Justices, etc., nay one of them rose to be the Governor of a province. Racial equality must not be confounded with administrative inequality which may result from peculiar circumstances or through want of fitness, merit or experience. The one is quite distinct from the other. The slogan of equality which we have heard so often both within the Committee and outside is a sentimental outcry, not based on reason.

6. **Equality of status.**—Is it not a pity that few persons among us understand what is meant when states claim “equality of status”? The question was hotly discussed at the Imperial Conference of 1926 when the Dominions claimed it as their right. Lord Balfour, one of the keenest intellects of his time, was appointed to advise. He pointed out that “the principles of equality and similarity appropriate to status did not universally extend to functions.” He was careful to insist that equality of status did not necessarily imply equality of stature, and he did not contemplate that developments in practice would be based on equality of status being pushed to the logical conclusions.* Take an example in the constitution of the League of Nations; India has there equal status with Great Britain, but will any one on that account hold that she has an equality of functions whether in foreign or domestic affairs?

7. **Limitations due to size: geographical position.**—Equality of status for the North-West Frontier Province can only mean that its provincial administration shall, as regards the subjects under its control, have the same powers as are exercised by that of the other provinces, but beyond that proposition the similarity will cease. Its peculiar geographical position and its proximity to tribal territory differentiate it from the other provinces. The five districts have, moreover, a population of less than $2\frac{1}{2}$ millions, or $1/10$ of that of the Punjab and $1/20$ th of the United Provinces; Assam the smallest of the nine major provinces has $3\frac{1}{2}$ times its inhabitants. The districts have a small area of 13,419 square miles arbitrarily formed into a miniature province.

* The sovereignty of the British Dominions by A. B. Keith D. C. L., D. Litt. 1929.

8. Special features.—These special circumstances restricted its function in various ways—let me enumerate a few :—

- (1) The province is to be split up unlike other provinces, into two parts—settled districts and the tribal tracts.
- (2) Its Governor will have double functions ; he will act as Agent to the Governor General for the trans-border tracts and for central subjects, and as Head of the provincial executive for the administered districts.
- (3) Its legislative council will have a nominated element and an official bloc.
- (4) Its cadre of civil officers is recruited from the Political Department ; it will continue to be ruled by some military officers, holding important civil posts.
- (5) Its extent being small it cannot be self-contained ; for the Forest, Engineering and high Police and Judicial officers it has to depend on other provinces.
- (6) Its district officers are also in political charge of tribal areas, and are not thus free to devote their whole time to civil work.
- (7) No other province has such a number of cantonments or roads of military importance.
- (8) It has not a High Court or Chief Court of its own.
- (9) It has to employ a large force of the frontier constabulary 4,600 strong to patrol and guard its borders, and to pursue raiders.
- (10) It is exposed to raids from trans-border territory. Its statistics of violent crime against the person, *i.e.*, murders, culpable homicide, grievous hurt, etc., beat the records of all other provinces, necessitating the employment of large forces of Police and Constabulary.*

* NOTE.—See in this connection the following extracts :—

- (1) *From the North-West Frontier Province Police Enquiry Committee presided over by Sir David Petrie.*—“ It appears that serious offences against the person have steadily increased from 709 in 1902 to 2,045 in 1929 and the tendency is still upward. The final statistics for 1930 show that 292 murders were committed in the Peshawar district alone, an increase of some 40 over the statistics of 1929 ; the number of raids and dacoities is more than double that of the previous year, while the number of burglaries has also largely increased.”
- (2) *From the Committee presided over by the Hon'ble Mr. Justice Sulaiman.*—“ The population both of Peshawar district and city is addicted to crimes of violence to a remarkable extent. A comparison with the statistics available for other parts of India is not without interest. In the Punjab, which shares with Burma the distinction of being the most criminal of the Governors' Provinces of India and has a population of some 21 millions, there were 667 murders in the year 1928, while in Peshawar district, which has a population of one million there were 307 murders. In the Punjab the most criminal district is Lahore, in which in 1928 there were 56 murders, *i.e.*, one fifth of the number of murders committed in the same period in Peshawar district. The population of Lahore district is numerically about equal to the population of Peshawar district.”

- (11) It has had no experience of representative institutions and the factious spirit which prevails must prove a great handicap to their successful working. The elective system which it is proposed now to introduce in its local bodies will be partial; half the members will still be nominated and the Deputy Commissioners will remain the Presidents.
- (12) The worst feature of its "inferiority complex" is that it cannot pay even for the civil administration of the settled districts. It requires huge sums as financial assistance from the central revenues. No other province in India wants or gets it.

				REVENUE.	EXPENDITURE.	DEFICIT.
				Rs.	Rs.	Rs.
1927-28	..	..	..	87,58,000	2,93,65,000	2,06,07,000
1928-29	—	..	..	82,35,000	3,13,57,000	2,31,22,000
1929-30	..	..	..	85,40,000	3,39,81,000	2,54,41,000
1930-31	..	..	..	64,86,000	3,55,62,000	2,90,76,000

(Majority Report paragraph 33).

PART II.—THE STANDARD OF ADMINISTRATION.

9. **Lagging behind in race of progress.**—Before proceeding with classification of subjects it is necessary to clear the ground and to remove a grave misconception under which most of the Muslim witnesses, who appeared before the Committee or sent their statements, laboured. They asserted that the North-West Frontier Province, since its constitution as a separate unit in November 1901, had suffered materially and been left behind in the race of progress, as compared with the other parts of India. Generalisations based on insufficient data, have ever been the bane of the Indian mind. We do not care to face hard facts or work out practical details. If this allegation were true, I admit it will ever remain a stigma on the good name, and a slur on the work of the noble band of British administrators, Chief Commissioners like Sir George Roos Keppel, Sir Hamilton Grant, Sir John Maffey and Sir Norman Bolton, Revenue Commissioners and other Heads of departments—who in the past laboured hard to advance the interests of their charge, and succeeded beyond expectations in their endeavours to improve the machinery and to better the condition of the people. It is true that they could not have done much if they had to depend on the resources of the province, and been not able to draw upon the vast resources of the central Government for their schemes of all-round progress and betterment, but it is to their credit that they induced the Finance Department of the Government of India to sanction money for their projects.

A.—Scale of expenditure, deficit.

10. **North-West Frontier Province : total receipts and expenditure 1902-03 and 1921-22.**—Let us first look at the total receipts and expenditure as compared with the past years and with those of some of the other provinces. The cost of the province in 1902-03, the first complete year of its separate existence, was 74 lakhs of rupees and the revenue 36 lakhs or a deficit of 38 lakhs.

Twenty years later in 1921-22, while the revenue went up to 60 lakhs or an increase of 66 per cent., the actual expenditure rose to 200 lakhs, showing an advance of 170 per cent. and a deficit of 140 lakhs. As remarked in the report of the Bray Committee (paragraph 32 from which these figures are taken) there was a big item of expenditure on the Upper Swat Canal, which was being worked at an annual loss of 5 lakhs of rupees, but even if we exclude this item the deficit was 135 lakhs or $3\frac{1}{2}$ times of that in 1902-03. These figures, it may be noted, included the expenditure on both parts of the province—the settled districts and the tribal tracts—because it was not till 1927-28, that a new head, “ 29-A. Watch and Ward ” was opened in the budget-estimates of the central Government, presumably to show separately the expenditure and to minimise the deficit on the civil administration of the province.

11. **North-West Frontier Province : total cost and deficit 1930-31.**—In 1930-31, ten years later, according to the figures supplied by the Pay and Accounts Officer, the revenues of the settled districts were Rs. 78,62,000, while the expenditure went up to Rs. 1,90,93,000. The tribal tracts in the same year, yielded a revenue of Rs. 3,19,000 while the expenditure on them was Rs. 1,73,75,000. Thus for both parts of the province while the revenue amounted to Rs. 81,81,000 the expenditure had gone up to Rs. 3,64,68,000 and the total deficit was Rs. 2,82,87,000 or double of that in 1921-22. In thirty years the expenditure rose five-times from 74 lakhs to 364 lakhs, and the deficit seven and a half times from 38 lakhs to 284 lakhs. It is doubtful if any other province can show a similar increase.

12. **Comparative figures of other provinces.**—We have heard a good deal of the advancement which the Punjab, the adjoining favoured province from which we were separated, has made during the past few years under the Reforms scheme. The total expenditure estimated for 1931-32, for a population of 2,35,80,000 souls was Rs. 13,52,99,000, while the expenditure for the settled districts with a population of 22,51,340 was Rs. 1,90,93,000 ; that is, whereas the Punjab had a population ten times ours ; its expenditure was only seven times. Take again the United Provinces, where with a population of 4,84,23,000 or twenty times that of the settled districts, the expenditure for 1931-32, was estimated, at Rs. 14,28,22,000 or only eight times. The Central Provinces with a population of 1,54,72,000 souls or seven times ours spends Rs. 5,83,91,000 or a little over three times of our expense. Assam is no better off ; with a population of 87,84,000 or four times ours it can spend only Rs. 3,04,55,000 or $1\frac{1}{2}$ times of our expenditure. These figures tell their own tale. Has not our local Administration and the Government of India treated us so generously, and still many of us are apt to complain that we have been neglected. The difference becomes still more patent and pronounced when it is remembered that whereas the whole expenditure of the other provinces is met from their own revenues, we contribute only 41 per cent. towards our expenses, and 59 per cent. comes from the central revenues raised by taxation all over India. Like a spoilt child we cry for more sweets of offices and fat salaries

B.—Administrative Departments.

13. **Law and Order : security of life and property**—It may be argued that the figures of total expenditure are not a good criterion of the

efficiency of the different services. Let us then take first the heads, which are mainly concerned with the security of life and property, admittedly the primary duty of every Government worth its name. Owing to our geographical position we are exposed to raids from across the frontier. The peculiar mentality of the Pathan and his hot temper incites him to violent crimes and riots unheard of in any other part of India. Have the authorities not made adequate arrangements to ensure our safety and peace? For the protection of our people from trans-border raiders we have the frontier constabulary of 4,600 men, well-armed and trained as a semi-military force; they patrol the border and pursue raiders from across the frontier. This force, which is in addition to the large bodies employed within the tribal territories, costs nearly 22½ lakhs of rupees a year. This sum with the cost of the other forces is debited to "29-A. Watch and Ward", and does not appear in the accounts of the settled districts. For the maintenance of the internal order and for guarding the various cantonments, we spend Rs. 31,85,000 a year on the District Police over 6,000 strong or nearly one-fourth of Rs. 1,25,60,000 spent in the Punjab with ten times our population. Assam with hilly tracts and four times people spends a little less than we do. Similarly on Jails our expenditure is Rs. 10,08,000 almost equal to that of the Central Provinces (seven times population) and nearly double of that in Assam (four times population). The amounts Rs. 7,90,000 spent on the administration of justice, and Rs. 18,89,000 on general administration are also high compared with the cost in the other four provinces, including the Punjab, for which we have figures, but these need not be quoted. These services which ensure the reign of law giving peace and safety to the inhabitants, together with the militias, the scouts, the levies, the Khassadars and the Khyber Rifles provide lucrative careers for the sons of the soil. The military forces stationed in the eleven cantonments within the settled districts, not only guard us against foreign attack, but together with huge sums spent on strategic roads pour untold wealth into them; all these factors have been of the greatest material benefit in raising the standard of living.

C.—Nation-building Departments.

14. **The beneficent departments.**—It is often asserted that though the British Government has been doing all in its power to keep a firm hold on the Province by the maintenance of Law and Order, the local Administration has been remiss in promoting the welfare of the people in what is concerned with their well-being and progress. As a result of persistent propaganda encouraged by interested persons, this delusive idea gained such a powerful hold on the majority community that a deputation waited upon the Chief Commissioner in the summer of 1930, subsequent to the disturbances, and made a special mention of this grievance. In order to allay the prevailing unrest, the Chief Commissioner, after consulting the Government of India, announced in respect to the "*activities of the beneficent departments*", that it will be his "object to secure to the province as regards these departments the same standards of administration as obtain in the frontier districts of the Punjab." The deputationists did not perhaps realize that if their prayer were granted and the settled districts were brought to the level of the Punjab Frontier districts, we may have to reduce our expenditure and be content with a standard lower than that to which we have already reached.

15. **Education.**—Take Education first.—In 1930-31 our actual expenditure was Rs. 20,55,000 and our budget estimate for 1931-32 is Rs. 22,11,000. The Punjab budget estimate for the latter year is Rs. 1,76,08,000 or eight times ours. Its population is ten times, besides it maintains a university, a medical college, engineering colleges, training and arts colleges to which our students are admitted. The other provinces are much worse off. Assam with four times our population will spend only Rs. 34,48,000 or $1\frac{1}{2}$ times, while the United Provinces with twenty times more people can only spend Rs. 2,03,37,000 or nine times our expense. We have three colleges—two first class teaching up to Degree, and one Intermediate, and I doubt if the Punjab has ten times or thirty colleges. When the Frontier Province was formed there were not even a dozen legal practitioners natives of the soil; the number now is 178, first grade, and 131 second grade, total 309. The annual output and the number of graduates and other educated persons has greatly increased, and we are not far behind the other provinces in proportion to our population. There is no paucity of educated young men for the various services.

16. **Medical : Public Health.**—Take again the head Medical. Our budget estimate for 1931-32 shows a charge of Rs. 8,27,000, while the Punjab with ten times population can spare only Rs. 52,78,000 or $6\frac{1}{2}$ times of ours. The United Provinces, with twenty times our population, has a budget estimate of Rs. 37,25,000 or $4\frac{1}{2}$ times of our expenditure. The Central Provinces with seven times people has only Rs. 14,17,000 and Assam with four times Rs. 13,92,000. We have one of the finest hospitals at Peshawar and though the number of our dispensaries is smaller they receive both indoor and outdoor patients, while most of the Punjab dispensaries treat only outdoor patients. The policy of the Chief Medical Officer is to strengthen and improve his existing hospitals; he wants 29 or 30 rural dispensaries more, out of these he will be able to open six this year; he has got for them a grant of Rs. 78,000. There is a big scheme under consideration for a tuberculosis hospital or sanatorium, which no other province in India has yet thought of. In Public Health we do not compare so favourably with the Punjab, but we are not far behind the United Provinces, the Central Provinces and Assam.

17. **Agriculture : Industry.**—The expenditure on agriculture does not compare favourably with that in the Punjab, but this is not due to want of funds. The Agricultural Officer in his evidence before the Committee was positive that there was nothing in the power of Government to improve the methods of agriculture pursued by the cultivators. He was emphatic and said:—“I have studied irrigated areas carefully, and there the cultivators are really so clever that we have nothing to tell them. I have seen nothing pertaining to barani farming which they do not know. That is the position. They only need capital.” In reply to a question “What are the present Government activities in connection with Agriculture in the Province?”, he wrote in his statement: “The Department of Agriculture operates from the extensive Experiment Station at Tarnab, in the Peshawar district, where the Agricultural Officer is assisted by an Extra Assistant Director trained abroad, and three men who have undergone training at an Indian Agricultural College. A small farm in Hazara is managed by another Assistant, and in the Kurram Agency one is permanently engaged. Work

is in progress on the staple crops, in the development of the fruit trade, on cattle and sheep."

To the further question "should the activities be extended, if so on what lines and approximately at what cost," the Agricultural Officer replied: "The activities of the department are being extended by the establishment within the next five years of an agricultural station in each district and agency, by the appointment of a second Extra Assistant Director, numerous agricultural assistants and "Kamdars". The operations are to be controlled by a Development Commissioner. Over the period of five years it is estimated that the total cost will be 12 lakhs of rupees. As the landholders are not yet prepared to farm, the new scheme will not attain anything of permanent value. The lakhs would probably be better employed on organisation to relieve the landholders of revenue, police and other Government duties, leaving them free to develop farming."

Schemes for the extension of agricultural operations by establishing demonstration farms at the headquarters of each district have been formulated and approved, and a number of assistants and *Kamdars* have been actually sanctioned though not yet employed. Proposals for further development are awaiting the visit of the Agricultural Expert to the Imperial Council of Agricultural Research, who will review the situation as a whole. The province has, it may be noted, an excellent experimental and demonstration farm at Tarnab, where fruit culture, sheep and cattle breeding and an improved variety of wheat met with considerable success. Veterinary hospitals and co-operative credit societies have been receiving attention. Some time back a special officer was deputed to prepare a list of the Industries carried on in the various districts; he has submitted a comprehensive report, upon which owing to the difficulty of the problem no action has yet been taken. A Development Commissioner has already been appointed to push forward all such activities.

18. Civil Works : Irrigation.—Take again Civil Works—Roads and Buildings, while our budget estimate for 1931-32, under this head, is Rs. 39,24,000 that of the Punjab is Rs. 1,94,47,000 or less than five times. The United Provinces is badly off; with 20 times people it can spare only Rs. 48,59,000 or a little more than our expenditure. The Central Provinces with Rs. 51,88,000 and Assam with Rs. 49,07,000 were perhaps more fortunate, but there is no comparison between our figures and theirs, if we take into consideration their areas and populations.

In irrigation the Punjab is admittedly in advance of all the provinces and perhaps of most other countries in the world, since it could tap the fertilizing waters of its five rivers. Our Administration has also done its best in this respect. We have the Kabul River Canal, the Lower Swat Canal constructed for political reasons, and the Upper Swat Canal. The last is working at a loss as there is a paucity of tenants to break new land which is not so promising, and the landlords are not so keen in reclaiming it; the canal thus irrigates two-thirds of the area it commands. The irrigated area is nearly 400,000 (four lakhs) of acres, the cost is Rs. 4,61,122 in Establishment and Rs. 2,96,665 in maintenance charges. The water rates are nearly 20 per cent. lower, though the expert opinion is that the land is on the average as productive here as in the Punjab. It has been calculated by the Chief Engineer that if the Punjab

rates are levied on the various crops, they would bring in an increased revenue of Rs. 3,59,200. This sum is practically a sort of bonus secured by the much maligned Administration for the tenants and proprietors. Can the critics show such concessions for the benefit of the peasantry anywhere else in India ?

19. Comparative statement.—The figures in this Part have been taken mostly from statements so carefully prepared by the Assistant Financial Secretary. A table which he has compiled comparing the receipts and expenditure of the five Provinces—North-West Frontier, the Punjab, the United Provinces, the Central Provinces and Assam—under the different heads is attached as Annexure A to this Part. It will be found interesting and instructive.

20. Province : its civic advance.—From dry figures let us turn to concrete examples. The Islamia College, with its blocks of splendid buildings and parks, is a monument of private effort and self-help, but without the generosity of the Government of India and the patronage and enthusiasm of Sir George Roos Keppel, it would not have been what it is. The Lady Reading Hospital is one of the finest in India. The experimental and demonstration farm at Tarnab is the admiration of all who visit it. The Civil Station of Peshawar and the magnificent buildings, including the Chief Commissioner's house, bespeak the munificence of the central revenues. The Central Jail at Haripur with its electric installations, etc., of which the cost is to be 22½ lakhs of rupees will be the envy of the bigger provinces.

The province has 15 Nawabs, the majority of whom were created since its constitution, 79 Khan Bahadurs, 13 Rai Bahadurs, 145 Khan Sahibs, 55 Rai Sahibs, 5 Sardar Sahibs, showing that in bestowing titles of honour there has been generous appreciation. The number of persons who hold high offices in the provincial and gazetted services is so large that I shall not attempt to give a list, but any one who cares to know the facts, can consult the Quarterly Lists of civil officers.

EXPENDITURE.

ANNEXURE A (1) TO PART II.

Comparative statement showing the budget estimates for 1931-32 for certain Provinces.

(In thousands of rupees.)

	N.-W. F. P.	Punjab.	United Provinces.	Central Provinces.	Assam.
Population—1931 ..	24,23,000	2,35,80,000	4,84,23,000	1,54,72,000	87,84,000
1—Customs ..	15	..	..	..	..
2—Taxes ..	79	..	..	..	..
5—Land Revenue ..	3,45	40,12	94,51	24,59	21,82
6—Excise ..	5,97	12,60	13,00	10,01	6,61
7—Stamps ..	21	1,95	3,15	1,70	71
8—Forests ..	9,03	23,29	32,38	40,91	19,60
8-A.—Forests ..	..	5,06	..	..	1,03
9—Registration ..	15	98	5,00	2,08	1,81
10—State Railways—					
Interest on Debt ..	..	..	8	..	49
12—Miscellaneous Railways.	..	..	..	..	3
14—Interest on Irrigation Works.	10,21	1,33,59	1,06,38	29,06	..
15—Irrigation ..	..	9,22	25	1,81	83
16—Construction of Irrigation Works.	..	41,97	3,07	55	..
19—Interest on ordinary debt.	..	—21,25	45,24	—1,69	1,46
20—Interest on Miscellaneous obligations.	71	..	..	41	..
21—Reduction or avoidance of debt.	..	10,25	20,00	4,77	..
22—General Administration.	18,89	1,15,28	1,40,76	72,16	29,54
24—Administration of Justice.	7,90	55,43	77,52	31,98	11,85
25—Jails ..	10,08	38,81	38,44	10,17	5,34
26—Police ..	31,85	1,25,60	1,73,55	62,06	31,78
27—Ports ..	..	..	..	..	29
30—Scientific Departments.	5	27	27	16	12
31—Education ..	22,11	1,76,08	2,03,37	53,96	34,48
32—Medical ..	8,27	52,78	37,25	14,17	13,92
33—Public Health ..	1,29	24,72	23,89	4,24	7,63
34—Agriculture ..	2,84	54,23	36,11	18,57	8,91
35—Industries ..	..	11,20	14,90	2,91	2,22
37—Miscellaneous Departments.	3	1,27	94	2,03	57
41—Civil Works ..	39,24	1,94,47	48,58	57,88	49,07
43—Famine Relief ..	..	2,00	62	..	5
Famine Relief Fund ..	..	..	12,38	..	..
45—Superannuation ..	4,89	39,33	52,47	29,42	12,17
46—Stationery and Printing.	1,27	11,29	13,74	5,65	4,31
47—Miscellaneous ..	79	27,95	4,12	7,04	4,54
52-A.—Forest Capital Outlay.	..	..	..	46	22
55—Irrigation Works ..	67	..	..	15,84	..
60—Civil Works not charged to Revenue.	..	1,09,75	..	15,03	33,68
Expenditure in England	..	..	42,95	..	..
Debt heads ..	..	54,75	1,83,30	65,99	..
Closing balance ..	..	17,22	77,86	82,37	4,80
Total Expenditure ..	1,80,4	13,70,21	15,06,08	6,66,29	3,09,38

RECEIPTS.

ANNEXURE A (2) TO PART III.

(In thousands of rupees.)

	N.-W. F. P.	Punjab.	United Provinces.	Central Provinces.	Assam.
Population—1931 ..	24,23,000	2,35,80,000	4,84,23,000	1,54,72,000	87,84,000
I—Customs ..	2	..	..	..	..
II—Taxes ..	8,89	..	..	25	4,00
V—Land Revenue ..	21,01	2,90,41	7,34,24	2,48,96	1,34,61
VI—Excise ..	9,95	1,08,49	1,22,11	94,24	58,38
VII—Stamps ..	9,89	1,14,79	1,73,62	61,00	21,00
VIII—Forests ..	10,00	25,68	51,15	54,97	22,63
IX—Registration ..	69	9,20	13,26	6,00	2,29
XII—Subsidized Companies.	..	..	1,60	..	..
XIII—Irrigation ..	13,07	4,43,33	1,41,48	—4,33	..
XIV—Irrigation ..	..	1,10	42	1,37	..
XVI—Interest ..	93	10,40	15,39	7,79	1,98
XVII—Administration of justice.	1,65	9,65	14,03	5,18	2,20
XVIII—Jails ..	1,39	5,60	8,14	2,85	84
XIX—Police ..	68	2,15	1,84	78	1,97
XXI—Education ..	63	15,04	11,70	7,28	3,11
XXII—Medical ..	77	9,91	2,85	67	2,07
XXIII—Public Health	5	12,62	1,54	63	1,01
XXIV—Agriculture ..	35	10,53	5,83	3,40	1,46
XXV—Industries ..	..	1,40	2,35	20	6
XXVI—Miscellaneous Departments.	2	4,26	70	7,64	48
XXX—Civil Works ..	55	15,54	8,14	7,24	6,03
XXXIII—Receipts-in-aid of Superannuation.	35	2,25	2,07	66	17
XXXIV—Stationery and printing.	29	2,96	5,39	65	48
XXXV—Miscellaneous Extraordinary—Receipts ..	..	66,17	..	45	..
Debt Heads ..	..	1,53,74	1,81,02	1,02,72	40,97
Opening balance ..	..	32,39	—1,43	51,42	1,50
Total ..	86,77	13,70,21	15,06,08	6,66,29	3,09,38

PART III—LAW AND ORDER.

21. **Security of life and property.**—Before dealing with the general classification of subjects I want to discuss the advisability or otherwise of provincializing the most important of all the administrative departments. The question is—Can the real interests of good government and peaceful progress be sacrificed on the altar of inferiority complex? The primary duty of every civilised government is to maintain a reign of Law and Order and thus ensure to its subjects security of life and property, so essential for the blessings of peace and progress in the realm. The Police and the Prison have always played a great part in this connection. The would-be offender has a dread of both. If there is anything to check his vagaries or criminal activities, beyond his moral nature and social environment, it is the fear of the one or of the other. The Judiciary is no doubt a connecting link between the two, but it has not the

same terrors for the miscreant. Its complicated procedure, the false evidence that can be produced in courts, and the legal assistance which is always forthcoming create in his mind a hope that he may after all get off. The question before the Committee was—should the District Police in the North-West Frontier Province be classified as a provincial subject under the control of the ministry and be thus subject, as in the major provinces, to the vote of the legislative council.

22. Tribes in trans-border territory.—Let us not forget that we have in trans-border territory fierce, savage tribes well armed. For milleniums they have been absolutely free, enjoying complete self-rule, paying homage and taxes to none. As soon as they find that executive authority in the districts has been weakened or there is civil commotion, they issue forth in forays to pillage and to ravage. At times the preachings of fanatic mullahs are enough to excite them to declare *Jihad* or religious war ; though the desire for loot is the chief motive. There are always discontented elements cis-border who are ready to join with them.

23. Fanatical outbursts within and beyond the border.—A few instances from recent history will suffice to show how dangerous it may be in making experiments by having one authority in charge of the police and another in control of the frontier constabulary and other forces :—

- (1) A general conflagration along the whole border was witnessed in 1898-99. The consequences were very serious necessitating military operations, but as that occurred a generation back we need not dilate upon it.
- (2) What occurred when Afghanistan declared War in 1919 is thus briefly described in an official publication :—

“ The Afridis of Khyber Rifles had wavered from the start and the corps was disbanded to forestall a mutiny. In Waziristan when the withdrawal took place mutinies occurred both at Miran-shah and Wana. Wana and the posts of the Gumal Route were evacuated in face of opposition both from the mutineers and tribesmen and the loyal portion of the Wana garrison, retiring on Zhob, was severely handled and had practically all its British Officers killed and wounded. Darweshkhel Wazirs and Mahsuds finding the omens of victorious *Ghazi* too clear to be ignored were ready to rise *en masse*, had any Afghan backing been forthcoming. As it was the country was flooded with deserters with the rifles and ammunition they had taken with them, and raiding and attacks on pickets started on an intensive scale in the Derajat and Peshawar, where the state of the Afridis was much the same as that of the Wazirs ”. The small town of Gumal, at the mouth of the pass, was looted and burnt ; the Police had to evacuate it and people fled. The tribes in the year 1919-20, according to the Border Report, committed 611 raids with 293 British subjects killed, 392 wounded. 461 kidnapped and property worth Rs. 21,30,209 carried away.

- (3) What was the *Hijrat* movement due to? The Khilafatists had preached that British India was *Dar-ul-Harb*, ruled by the infidels. Tens of thousands of Pathans sold their all—lands, houses, cattle, etc.,—and migrated to Afghanistan, *Dar-ul-Salam*, the land of the faithful.
- (4) And the terrible Kohat tragedy what was the cause? In a small pamphlet published by an orthodox Hindu, a passage was declared as derogatory to Mecca, the sacred city of Islam in Arabia. The Hindu quarters of the town were given up to flames and the whole Hindu population was forced to fly through fear for the sake of their lives. The Muslim ruffian element in the town was joined by the villagers and by people beyond the border, and as the whole police and constabulary were of the same community the civil authorities were helpless.
- (5) The open insurrection in Mansehra Tahsil (Hazara district) was created by the preaching of *Jihad* or religious war by a Mullah. Let me quote the same authority :—
- “Unfortunately an agitation based on religion was bound to affect the peculiar temperament of the Frontier Muhammadan in ways not strictly religious. In Hazara the unrest spread to the trans-border tribes, necessitating military operations to restore order. Throughout the province and especially Bannu this agitation engendered a spirit of lawlessness and defiance of authority”.
- (6) The same spirit of lawlessness and defiance of authority manifested itself among the Pathans in the city of Peshawar on two occasions, first at the time of Afghan War “of 1919 and later when His Royal Highness the Prince of Wales was there at Peshawar.” Sir John Maffey, the Chief Commissioner in his evidence, said :—
- “Peshawar city may easily become very ugly under small provocation owing to its peculiar composition and situation. In the year 1919 they had to place a cordon of troops round the City. They made a great many arrests.”
- (7) A Hindu bookseller at Lahore published a pamphlet which was regarded as casting a slur on the life of the great Prophet. The man was murdered in his shop and the assassin was canonised. Propaganda was carried beyond the border and 500 Hindu and Sikh families, who had for generations lived as *Hamsayas* (dependents), were expelled from their hearths and homes. It was through the intervention of the authorities that they were allowed to return after months of exile.

24. A retrospect : 1901-1921.—The views which were expressed by competent persons in the past ought to serve as a beacon light ; they ought to prove of considerable help in coming to right conclusions. I will therefore try to summarize them. When in 1901 His Majesty’s Government decided “that

the conduct of external relations with the tribes on the frontier should more directly than heretofore be under the control and supervision of the Government of India", the settled districts were also taken over under its immediate charge. The whole area became a separate Province under a Chief Commissioner who was also Agent to the Governor General. No change in its constitution was effected when the Morley-Minto Reforms were introduced in 1909 in the major Provinces. The problem of introducing reforms here was first mooted in 1919, but the authors of the Joint Parliamentary Report, going on the observations contained in the Montagu-Chelmsford scheme, recommended that for reasons of strategy the province must remain entirely in the hands of the Government of India; this recommendation has continued to govern its constitutional status when elective legislative councils were established elsewhere in 1921.

25. Reamalgamation with the Punjab: 1921-22.—When in 1921-22 the question of reamalgamating, with the Punjab, the settled districts, which had agitated the public mind for some time, was examined by the Bray Committee, the majority decided against the separation of the two parts within and beyond the border. Why? The reply may be given in their own words:

“Judged by the test of the security of the districts, judged by the test of the controllability of the tribes, tribal tracts and districts form one general whole that can only be properly managed, if both parts are placed under one and the same authority.”

Mind it was “the security of the districts” which led them to reject the proposal. The beneficent activities did not present any difficulties whatever and hence no mention was made of them. In fact the settled districts depended then, as they in a great measure do now, on the Punjab for their University, Medical, Engineering and Agricultural Education, as also for its cadre of professional officers.

26. Sir Mackworth Young, Lieutenant Governor: opposed to separation of control over tracts and districts.—Sir Mackworth Young, at that time Lieutenant-Governor of the Punjab, though opposed to the separation of his districts admitted that the duty of maintaining friendly relations with and control over the trans-frontier tribes is inseparable from that of managing the tracts within the British border.

27. Grounds for that view.—The grounds for this statement were so well put by Mr. Merk, for many years Commissioner of the Peshawar Division, that they are worth reproduction:—

“The population on either side of the boundary line are as closely interwoven and intermingled socially, commercially and in all matters of every day life, as are the inhabitants of Nancy and Metz, or for the matter of that the people of Berwickshire and Northumberland. Thousands of our subjects are constantly visiting independent territory, many thousands of the hillmen regularly migrate to our districts, whole clans live for half the year on this and for the other half of the year on that side of the border; where the residents within and without the frontier are not men of the same clan or of the same tribe, they are connected by the intimate

ties of common race, of marriage, neighbourhood and of an association, territorial and social which has endured for many generations. In short there is no impassable gap or gulf, difficult to cross, between British and independent territory; the Frontier is in reality only an arbitrary line drawn through the limits of a more or less homogeneous population. That being so, it will be readily understood what an infinity of questions, of disputes and disagreements of business arises from the daily intercourse of these people. This business must be settled promptly and with justice, or the peace of the border is endangered; it is business which is quite distinct from the Imperial questions in which British and independent interests, as such, are arrayed against each other and upon the successful administration of the daily business of the Frontier it chiefly depends whether, under ordinary circumstances, the border is heard of or not."

28. Opinions of high officers: Viceroys and Chief Commissioners.— Other high officers who had to deal with the problem were no less emphatic. It will be useful to cite some of them:—

"I confidently affirm the inseparable connection of portions of British territory with trans-frontier tracts and the necessity of entrusting the control of both to the same local officer."

(LORD LYTON, VICEROY.)

"All the circumstances seem to point to the creation of a single frontier charge entrusted to the management of a single officer under the immediate direction of the Government of India."

(LORD LANSDOWNE, VICEROY.)

"The Commissioner and the Government of India cannot deal thoroughly and exclusively with external relations with the tribes without including some administrative work within our border."

(LORD ELGIN, VICEROY.)

"The impossibility of severing the external relations of the tribes from their internal administration and of separating hill politics from plain politics."

(LORD CURZON, VICEROY.)

"It is an established principle from Peshawar to Karachi that the frontier can only be managed properly if both sides of it are in the hands of the same British authority."

(SIR ALFRED LYALL.)

"I do not think there is anybody who has any real experience, official or non-official, who would think it feasible to separate these two component elements."

(SIR JOHN MAFFEY, CHIEF COMMISSIONER.)

"Whatever the grounds may be which are believed to support the proposed separation, those grounds do not include the most vital

ground of all, namely the improvement of the defensibility of the North-West Frontier.”

(SIR S. E. PEARS, NOW C. C.)

29. **Non-officials against separation of control.**—It must not be supposed that the opinions of these high British Officers were not shared by non-official witnesses. To quote a few :—

“ Separation is neither advisable nor practicable.”

(NAWAB SIR ABDUL QAIYUM.)

“ Our interests are so common that we cannot be separated.”

(WAZIR ZADA MOHD. AKRAM KHAN.)

The Bray Committee in support of their view said that “ the more intimate a witness’s knowledge of the problem and the closer his everyday association with the actual border, the nearer his approximation to the reasoned conclusion of the expert that the separation of districts and tracts is impracticable ; ” they referred to the evidence of the following witnesses :—

- (1) K. B. Haji Ghulam Haider Khan.
- (2) The Hon’ble Major Mohd. Akbar Khan, C.I.E.
- (3) K. B. Mian Musharraf Shah.
- (4) Mr. Ali Haider Shah, etc., of Peshawar.
- (5) Pir Imran Shah.
- (6) Khan Baz Mohd. Khan.
- (7) K. B. S. M. Nauroz Khan, etc., of Kohat.
- (8) K. B. Sher Ali Khan, etc., of Bannu.
- (9) Maulvi Nur Bakhsh, B.A., LL.B.
- (10) Nawab Allahdad Khan, Alizai.
- (11) Major Nawab Ahmad Nawaz Khan, Sadozai.
- (12) K. B. Meharban Khan, etc.
- (13) Nawabzada Abdul Rahman Khan, etc., of Dera Ismail Khan.
- (14) K. B. Mohd. Akbar Khan, etc.
- (15) Wali Mohd. Khan, etc., of Hazara.

30. **The finding of the Bray Committee.**—The finding of the Committee was that “ in existing conditions it is not merely inexpedient, for all practical purposes it is impossible to separate the districts and tracts.” They recommended a council with a 60 per cent. elected element and a minister for transferred subjects, and Executive Member who would be in charge of Law and Order and other reserved heads.

31. **Problem : the same now.**—Ten years have no doubt elapsed since their report was submitted but the problem remains the same. It may be contended that there is no longer any necessity of keeping Law and Order in the settled districts and the administrative control of the tribal tracts in the

hands of the same authority, as conditions have changed and it has been decided to liberalise the constitution by giving the districts the benefits of representative institutions. On the Dera Ismail Khan border there has no doubt been improvement and the raids by the Mahsuds have almost ceased, since the construction of the great road to Razmak and the stationing of military forces in their country. But one has ever to be alert in dealing with these well-armed savage tribes. The conduct of the Afridis during the troublous days of last year should serve as a lesson that we have in tribal territory inflammatory material which may blaze forth any moment, specially when there are disturbances on this side of the frontier.

32. Royal Statutory commission : constitutional problem in North-West Frontier Province.—The subject was, in connection with the reforms scheme, treated exhaustively by the Indian Statutory Commission, composed of some of the ablest members of the three parties—the Labour, the Liberal and the Conservative—in England presided over by Sir John Simon, a great legal luminary of the realm. They visited Peshawar twice—first a Sub-Committee and then the whole Commission,—examined witnesses, official and non-official, and submitted in 1930 a report in two volumes—Survey and Recommendations—which will ever remain a monument of laborious research exhibiting breadth of view and richness of details which excited the admiration of all disinterested people. After giving a summary of the peculiar character, the special military and political difficulties associated with the North-West Frontier Province they write, in paragraph 363 of Volume I, Survey, as follows on the nature of the constitutional problem :—

“ Manifestly, therefore, there is no question of extending representative institutions or ministerial control to the tribal tracts. But the problem of the administration of justice and of promoting and preserving order in the five districts is intimately, and indeed inextricably, connected with the tribal tracts. Many of the tribesmen who live in the unadministered area in the summer pass into the districts for the winter ; others of the tribesmen own or cultivate land on both sides of the line. A large part of the violent crime which is committed in the districts may be safely attributed to men who either live in the tribal area or take refuge in it to escape from the police. An important part of the work of a Political Agent is to induce the headmen of a tribe beyond the administered border to discourage such crimes, to get stolen property restored, and even to return inhabitants of a district who may have been kidnapped. It follows that there must be the closest co-operation between the police in the districts, the frontier constabulary (which is an allied force under a Commandant, who is responsible to the Chief Commissioner, and which guards the frontier of the districts), and the political agencies. As long as these authorities are under a common head such co-operation can be secured. But, if law and order in the districts becomes a topic dealt with in a provincial legislature, and *a fortiori*, if it were in charge of a minister responsible to such

legislature, it seems certain that this co-operation would be more difficult to secure. The Police force in the five districts costs 28 lakhs a year, and amounts to no less than 6,000 men—one policeman for every 375 of the population and almost one for every 2 square miles. The financial burden is therefore, extremely heavy, and there would be a natural temptation for the legislature and the minister to throw as much as possible of the burden and the blame on the agents of the central Government who are responsible for the trans-border area. If difficulties arose, they would involve a reference to the Government of India, and smooth and rapid working, which is so essential in an area constantly exposed to the danger of tribal raids, and to outbreaks of passionate violence, might be impeded. Other illustrations of the difficulties which would be likely to arise could easily be given. For example, the officer who may be best qualified to be appointed Political Agent is likely to have gained his experience in the administration of an adjoining district. Behind the civil organisation lies the military arm, and in the last resort, if troops have to be called upon, it seems essential that the request should be put forward from a single source and as the result of a co-ordinated plan."

The above is a lengthy extract, but it succinctly states the case for the retention and co-ordination of the administrative control.

33. The question of Law and Order in their view.—Further on the Commissioners after referring to the sovereign state of Afghanistan on the other side of the Durand line, write :—

" In fact, the question of law and order, which in other parts of British India is a domestic and internal matter, in the North-West Frontier Province is clearly related to the subjects of foreign and diplomatic policy and of Imperial defence. Marauders to whom fighting is second nature, and who possess and freely use arms of precision, are always liable to be swept into frontier raids of a more general character, and the influence which the Mullahs can exert over these fanatical and ignorant tribesmen, combined with the risk of threatening movements on a larger scale in Central Asia, makes the administration of law and order in the North-West Frontier Province partake of the nature of an all-India problem."

34. Their recommendations for constitutional advance.—In volume II of their Report the Indian Statutory Commission quote approvingly the remark of the Bray Committee that "even in the internal administration, the peculiar position of the province, its financial dependence on central revenues, and the close and at times inextricable connection between its internal and external affairs—all these factors combine to call for a wider power of control and a closer supervision by the Governor-General than he exercises over a Governor's province." The need for constitutional advance being admitted they recommended (in conformity with the view of the majority of the Bray Committee) a legislative council consisting "of an elected and a nominated

element in about equal proportions. The former should be composed of representatives of the Khans elected from a special constituency, of members elected by municipalities and district boards and of ex-soldiers." The range of subjects would be as wide as possible "but would not obviously extend to all provincial subjects." They added: "It has been well said that in the North-West Frontier matters apparently local may easily and unexpectedly assume an all-India aspect. For example, Law and Order in this area so closely approaches the character of an all-India subject that the new body could not begin by having power to deal with it. We also think that Land Revenue should be excluded from its purview." Well did they say that it is not possible to change the plain facts of the situation. "The inherent right of a man to smoke a cigarette must necessarily be curtailed if he lives in a powder magazine."

35. Indian Central Committee : Morley-Minto reforms.—In the majority report of the Indian Central Committee which was co-opted with the Indian Statutory Commission the recommendation was that reforms should be introduced in this province on the lines of the Morley-Minto reforms and that after a constitution of that type had been in operation for ten years, the question should be further examined with a view to seeing what advance could then be made. Though the proposals of these exalted bodies concede a legislative council, they deny any popular share in the executive.

36. Chief Commissioner on reforms proposals : charges not subject to vote of provincial legislature, August 1930.—In August 1930 in giving his opinion on the recommendations of the Indian Statutory Commission the Hon'ble the Chief Commissioner said: "In discussion with the Government of India I laid stress on the probability that the grant of reforms to the Frontier Province will lead to disturbances of the peace; and I emphasized the fact that a new situation has been shown by the events of this year to have arisen in the facility with which discontented persons in the settled districts have been able to call to their assistance tribesmen from across the border. The whole essence of the scheme which follows is conditional on the ability and readiness of the Government of India to ensure by force if necessary that trans-border elements shall not be permitted to interfere in cis-border affairs. It is another aspect of the same consideration which compels me to ask for additional police protection, the cost of which along with the cost of such of the police force as is in excess of the normal requirements of a British district in one of the major provinces should be a central charge and not subject to the vote of the provincial legislature. . . . It would be most undesirable to call out troops to keep the peace during all municipal, district board or council elections, but faction feeling in the province is so strong and the tempers of the population are so quick that the ordinary precautions on such occasions cannot here be regarded as sufficient. As indicated in the note accompanying this letter there are of course many other instances here of charges which, though disbursed in the settled districts, should be regarded as central charges."

37. Chief Commissioner's scheme of reforms : the safeguards.—The tentative scheme of reforms submitted by the Chief Commissioner was more liberal than that recommended by the Statutory Commission. It was suggested (1) that the elective element in the council may be given a slight

majority, 51 per cent. of the total seats ; (2) the possible introduction of entirely direct election and (3) the presence in the executive of two ministers, one official and the other non-official. He "believed that reliance on the nominated elements in the legislature, and official assistance in the cabinet, may secure to the Governor adequate controlling authority." He added : "There will, however, be certain subjects peculiar to the North-West Frontier Province chiefly relating to the tribal areas and the defence of India, for instance the frontier constabulary, scouts, frontier remissions and allowances, strategic roads, the extra police and other forces necessitated by the geographical situation of the province, etc., which would be classified as central subjects and would not come within the purview of the local legislative council" . . . "Its legislative powers would extend over provincial subjects ; but the power to make regulations under section 71 of the Government of India Act would remain with the Governor General in council." It will thus be seen that the Chief Commissioner took all necessary precautions in framing his scheme ; had it been sanctioned as it stood Police and Prisons as also other important subjects would have been in charge of the official Minister as the Reserved subjects under the Montagu-Chelmsford Reforms were in the major provinces.

38. Government of India despatch, September 1930.—The Government of India in their Despatch of 20th September 1930 on Reforms "fully recognize the particular conditions of the North-West Frontier Province so well described in the Report (of the Statutory Commission), and do not overlook the weighty considerations which influenced the Commission in favour of a strictly cautious advance." It was the events of the preceding few months, the disturbances and disorder on the border which induced them to propose a scheme which "should attract a reasonable measure of public support." The chief reason given for their views is that "a discontented Frontier Province would be a serious threat in the rear of any army operating in the defence of India." It is not for me to controvert these novel propositions. To a person who has personal experience of the frontier and its people, the weakening of executive control by British officers will render disturbances and riots more frequent. The wars with Afghanistan and the numerous frontier expeditions showed, if any proof was needed, that the settled districts when ruled justly and strongly by the Deputy Commissioners and their Assistants, never proved "a serious threat" in the rear of an army. The Government of India generally supported the Chief Commissioner's scheme, which had been formulated with their advice with one exception. The Chief Commissioner had proposed that the extra police and other forces necessitated by the geographical position should be classed as central subjects. To this they added a rider by saying : "We think it probable that on further examination these should be classed as provincial." No reasons were given, but they were careful to emphasize what the Chief Commissioner had urged. "The scheme is put forward in the belief that while securing to the Lieutenant Governor adequate controlling authority, it will give the province a flexible constitution capable, with the growth of political experience, of development and expansion without the necessity of subsequent violent changes or radical statutory amendment."

39. Revision and increase of police force : report of Committee of February 1931.—In September 1930 the Chief Commissioner submitted

proposals for a revision and increase of police, and a Committee consisting of Mr. Latimer, C.S.I., C.I.E., Revenue Commissioner, and Sir David Petre was constituted under the orders of the Government of India "to inquire into and report on the question of what permanent increase, if any, is required in the regular police of the North-West Frontier Province." The introductory section of their report dated 27th February 1931 throws a flood of light on certain aspects of the proposals for additional strength. During the disturbances the existing force had to be augmented by an addition of 1,208 (including 250 men borrowed from the Punjab) with the usual proportion of higher ranks. Section II dealing with the special conditions of the province is highly illuminating; it shows how the temperament of the people, the proximity of tribal territory and the physical characteristics of the country are factors which make conditions in the province altogether exceptional and peculiar to itself. The villagers are now very much better armed; the influence and authority of the local notables, the khans, as also the hold of the Sub-Inspector of Police have greatly weakened. The upshot has been a growing disregard for authority as witnessed by an increase of crimes of violence against the person. The report says:—

40. **Serious offences against the person.**—"It appears that serious offences against the person (murder, homicide, grievous hurt, etc.), have steadily increased from 709 in 1902 to 2,045 in 1929 and the tendency is still upward. The final statistics for 1930 show that 292 murders were committed in the Peshawar district alone, an increase of some 40 over the statistics for 1929; the number of raids and dacoities is more than double that for the previous year, while the number of burglaries has also largely increased. The cause of this abnormal rise, Mr. Adam (Inspector General of Police) ascribes to the violent and vindictive mentality of the Pathan, which asserts itself the more as the traditional restraints tend to become relaxed. He further fears that the introduction of the proposed reforms will be the final blow to the Pathan tribal system and the khans, while he anticipates that under the new regime the Frontier Crimes Regulations (and the special control it imposes on lawlessness of all descriptions) are bound to disappear. The khans will not yield to the intelligentsia without a final struggle and the excitement of the elections, working on the violent nature of the Pathan populace, may mean a grave increase in lawlessness, if not actual chaos. Meetings and demonstrations are almost bound to degenerate into displays of violence, necessitating sufficient forces of police being held in readiness to prevent serious disorder or damage to life and property."

'Given hot tempers, ample arms', the Committee says, "and the existence of a social code which demands that a life should be taken for a life and social dishonour avenged by death (of the wife and her paramour) it is no matter of surprise that crimes of violence against the person have grown excessively."

Under the changed and changing conditions of the present the Committee see no grounds for expecting a diminution in violent crimes against the person. They remark : " The difficulties arising out of the proximity of the tribal area have been strikingly demonstrated during several months of 1930. It seems now to be generally recognized by competent observers on the spot that the tribal unrest was entirely responsive, that is to say, it was evoked by the disturbances and troubled condition in Peshawar city and district ; this unrest among the tribes, construed as a sign of encouragement and support, naturally acted as a strong stimulant to the forces of unrest on our own side of the border, a process of which the disturbances in the Charsadda subdivision of Peshawar and the Hathikhel area of Bannu afford excellent concrete instances."

41. Elections will intensify factional feelings.—Rightly does the Police Committee hold that no degree of reform which Government can offer is likely to pacify the extremist and fanatical elements. The grounds stated by them are :—

" In the first place account must be taken of the communal and factional feeling inseparable from any system of popular election, which among a hot blooded and virile people is bound to run exceptionally high and to persist for a long period. Secondly it is to be noticed that the extension of the elective system to the Peshawar Municipality in November 1929, led to no decrease of agitation in Peshawar city. It was precisely in Peshawar city that the disturbances were most serious . . . It may be assumed, therefore, that pretexts for agitation will continue to be found. It was noticed in the report on the Peshawar election of 1929, that the most popular theme for speakers thereat was abuse of Government ; and it is a common place in Peshawar that the flood of anti-Government denunciation which was let loose on the city in November was one of the contributory causes of the outbreak of the following April . . . The conclusion forced upon us is that disorder is likely to follow at any time when control is found to be weak, and that the time of danger is not to be limited to the actual period of the elections themselves."

The Chief Commissioner's proposals were estimated to cost for the first year Rs. 8,63,375. The Committee recommended (1) a permanent increase to the police strength of 520 rank and file (with a reduction of 12 head constables) at a cost of Rs. 2,14,897, and (2) the continuance of the temporary expenditure on the additional police of Rs. 3,38,882 a year, until conditions improved sufficiently to warrant a reduction.

42. Sub-Committee No. V. of the Round Table Conference.—The Indian Round Table Conference met in Loudon on 12th November 1930 and the proceedings came to an end on 19th January 1931. One of the Sub-Committees (No. V) was appointed " to consider what modifications, if any, are to be made in the general provincial constitution to suit the special circumstances of the North-West Frontier Province." The Sub-Committee held three meetings (excluding the first formal one) examined only one witness and with the help of the materials supplied to the members submitted its report. During the

discussions grave misgivings were expressed by Lord Reading, representative of the Liberal party, and Sir Samuel Hoare of the Conservative party as to the wisdom of transferring the District Police—Law and Order—to the provincial legislature. A few remarks of theirs may be given here in illustration :—

43. **Lord Reading on law and order:**—*Lord Reading* : “ It is not a question of inferiority ” (addressing Sir Abdul Qaiyum). “ The difficulty in giving exactly the same powers in the North-West Frontier Province as in the other provinces is because of the geographical position of the North-West Frontier province and because of the very special conditions which apply to North-West Frontier Province with all the difficulties that exist, as we know, with frontier raids, and so forth ; so, as it seems to me—I am only expressing my own view ; I think it is the view of the Government of India, too, and of everybody who has reported on it ; it is very striking that all the reports that I have read take the same view—the Bray Committee, which I appointed, then later the Statutory Commission of Sir John Simon, the Indian Central Committee, and later the Government of India report, including the Chief Commissioner’s report everybody is agreed, and I think you are, that the North-West Frontier Province is a very special province ; you cannot apply general laws to the North-West Frontier Province as you would to other provinces. The point was put by the question which Sir Samuel Hoare has just put, which has been puzzling me a good deal. We shall have to try to see how to deal with it. Take, for example, the police. I am not going into the different kinds of police that there are, but the police, law and order, we assume, will be transferred in the other provinces to the Province. To transfer law and order bodily to the North-West Frontier Province seems to me an impossibility, because you would be immediately complicating and confusing conditions there, and in a place which is the very centre of danger to India, which must obviously be the most dangerous spot for India.” After giving instances of the difficulties that arise when some of the Frontier tribesmen have crossed over the border and the row between two or three men develops into a serious thing involving a raid or some feud in which a number of persons are engaged. He continues :—

“ If, of course, the Executive power remains with the Chief Commissioner as it is at present there is no difficulty. He is the agent of the Governor General, he has got all the powers behind him, subject to the direction of the Governor General, and he has sub-agents ; they are all under orders from the top, and so no difficulty occurs at all. But, you see, it is very difficult to draw the line between the two, and the difficulty that is confronting me, trying to give effect to your views, is to see how you can transfer law and order in this particular province. The difficulty is, I think, very, very great. You really cannot separate the keeping of law and order in the province from the difficulties that arise in the trans-border, they are so mixed up, except in the very small matters to which I have made reference.” After saying that this is a puzzling matter, the crux of it, he said : “ In this province, whatever else you may do, you make your legislative council and you have your ministers, but nevertheless you cannot transfer law and order.” After bearing Sir Abdul Qaiyum in reply, Lord Reading said : “ But that does

not answer the difficulty that confronts us as to how you are going to work in those five administered districts with those complications in regard to police."

44. Sir Samuel Hoare on law and order.—*Sir Samuel Hoare*: "The point which is rather striking in my mind is this: it seems so very difficult, in the conditions of the North-West Frontier Province to draw a distinction between civil unrest of various kinds and something which develops very quickly into a military operation It does seem to me, in view of that very difficult to see how you can leave law and order in the hands of one person, and the military side of it in the hands of another."

"The Viceroy is in unquestioned control of both of them. There is nothing between him on the law and order side than the Governor acting direct with the Viceroy."

"Supposing you do get your provincial autonomy, law and order then would come under a minister either responsible or not responsible to the assembly. I should have thought that would have introduced a new complication into the problem."

"I am afraid, even from the point of view of matter of fact, you do not entirely remove my doubts."

45. Sir Denys Bray: safeguarding all-India interests.—The only witness examined by the Sub-Committee No. V was Sir Denys Bray, Foreign Secretary, who had been Chairman of the Frontier Enquiry Committee of 1921-22. He said "I should like to look at the all-India aspects as I used to do as Foreign Secretary. From that angle it is seen that the affairs in the districts very often have their unexpected repercussions in the tracts."

"I think it would probably be an impossible burden to put on the Governor to preserve, to safeguard, all-India interests, which are not only those of security, by simply entrusting to the Governor powers to intervene to preserve safety and tranquillity or to carry out a particular order. I think the whole basis of life on the frontier (by which I mean tracts and districts) is too interwoven to make such a clear cut division possible."

"I should have thought that, with regard to the Frontier Province, the protection of minorities and the safeguarding of the safety and tranquillity of the province were all-India interests."

46. Governor's adequate controlling authority lessened.—The Hindu delegates present at the Sub-Committee had very little personal knowledge of the frontier and they did not want to be inconsistent as they demanded full autonomy for their own provinces. It thus happened that Nawab Sir Abdul Qaiyum with the help of Muslim members had his own way. If the scheme put forward by the Chief Commissioner had been adopted without modification, it might have secured to him adequate controlling authority visualized by the Government of India, but when the draft prepared by the Chairman came to be discussed, important amendments were carried. The nominated element was reduced from 49 per cent. to 14 in a council of 40 members, and the appointment of an official minister was vetoed: the Governor must appoint two non-official ministers, one of whom must be an elected member.

47. Views of the Round Table Conference Sub-Committee.—The Sub-Committee of the Round Table Conference, in face of such opinion, could not pronounce any decided views. They *contemplated*, not recommended, that the charge of the ordinary civil police might be made over to the provincial Government *subject to the findings of our Committee*. The broad point indicated by the Sub-Committee which they considered essential was “that all matters of all-India importance and all matters connected with the control of the tribal tracts should be excluded from the purview of the provincial Government and classed as central subjects.” Is not co-ordination of the different forces employed in the whole province a *sine qua non* of their satisfactory working? All the Muslim witnesses who appeared before us wanted not only the civil police, but the frontier constabulary also to be entrusted to the charge of provincial Government. Now that it has been decided that the frontier constabulary shall remain a central subject, how can we make over the district police to a minister? Why should not the Governor as Agent to the Governor General keep charge of both?

48. Police for central services : Inspector General of Police.—There is another point worth mentioning. The Inspector General of Police in his letter of 11th May 1931 says that the following strengths shall be a charge against central funds, because they are, I suppose, employed on all-India services :—

- (1) All cantonment police.
- (2) All police station sentries.
- (3) All additional police.
- (4) All reserves on above.
- (5) The 5% Frontier reserve.
- (6) C. I. D.
- (7) 20% of remaining police.

The establishment required for these duties will be :—

Inspectors	19
Sergeants	3
Sub-Inspectors	71
Assistant Sub-Inspectors	25
Head Constables	270
Foot Constables	3,353
Mounted Head Constables	1
Mounted Constables	28
Total	3,770

The cost of these he calculated at Rs. 19,29,007, adding half pay of Gazetted officers (Rs. 3,52,100) the total is Rs. 21,05,057. Now if the whole charges of the district police are paid to the provincial Government as portion of the subvention, what guarantee can the central Government have that all-India part of the service will not be allowed to suffer by reductions or otherwise? No remedy has been suggested.

49. All-India interests : Governor as President.—The necessity of classifying as central all matters of All-India importance is admitted, and it is recognized “ that there are certain elements in the provincial administration which cannot be without their all-India interest ”. Says the Majority report : “ The most important example is the administration of law and order. Internal disturbances within the administered districts must have an unsettling effect on the tribal tracts, and may thus create a situation which reacts at once on the question of defence.” How are these all-India interests to be safeguarded ? The answer is that as the Governor will be the President of his own cabinet, this provision will afford a sufficient assurance “ that the all-India interests in the preservation of peace along the border will not be overlooked ”. It is not explained how this provision will take away the powers of the legislative council or of the ministers backed by a vote of the majority ; will he be over-riding the votes of his council ; if so, will the outcry not be raised that he is an autocratic ruler ? Do we not know through experience that few Governors are willing to incur the odium of such a step ? It is no agreeable task for the Governor to exercise his power of veto when certain reductions in expenditure are proposed by the council and carried by the majority of votes. Why place him in such an unenviable position and expose him to adverse criticism ?

50. Reasons for provincializing in other provinces do not apply.—The reason advanced by the Indian Statutory Commission in paragraph 63 of their Report, Volume II, has been quoted in support of provincializing the police in this province. That recommendation, it may be noted, applied to the major provinces where dyarchy had been in existence for a decade, and the chief objections against centralizing the force, *i.e.* (1) the employment of a provincial Agent, and (2) the charge on central funds, do not hold good here. The Governor will be the Agent of the Governor General for administering other central subjects, and the whole expenditure on Police is to be met by a subvention from the Centre. Their arguments against the change which are stated in the preceding paragraphs 61 and 62 have special reference to the circumstances of our province, but they need not be copied here.

51. Statement of Inspector General of Police : central matters.—In reply to the Chairman’s question “ are there any matters within your department which could not properly be entrusted to the administration of the new provincial Government contemplated by the Round Table Conference ”, the Inspector General of Police in his memorandum No. 3460-I.B., dated 8th May 1931, replied that the matters which primarily concern the central Government are as follows :

- “ (a) Those aspects of Intelligence in the C. I. D. which relate to matters connected with Imperial Defence as to illicit trade in intoxicating drugs.”
- “ (b) The extra police required for the due protection of cantonments in the province.”
- “ (c) The necessity in frontier areas for police buildings to be fortified and to be adequately guarded.”
- “ (d) The extra burden thereby on the police by the fact that they are liable to what may be described as border “ crime ”. Criminals

can not only find shelter by going across the border, but their best market for stolen goods is across the border. This extra burden requires a larger establishment in cities and in other areas which are likely to suffer from trans-border criminals."

"(e) The armament of the police has to be superior to that of other provinces, and this armament entails the employment of extra men and extra reserves as the period of training has to be much longer If the standard of police efficiency and criminal justice within the provincial area deteriorates appreciably it invites or encourages an increase of crime committed by trans-border residents. This in turn would involve the central Government in complications in tribal territory. On the other hand, strained political relations with the tribal area will generally be accompanied by an increase in border crime thus throwing an extra burden on the provincial Government."

52. **His evidence.**—Mr. J. H. Adam, O.B.E., Inspector General of Police, was examined at considerable length when he appeared before the Committee as a witness. A few questions and answers may here be quoted to show what his views were as to whether the police should be a central or provincial subject :

In reply to Nawab Sir Abdul Qaiyum :

Q.—And that the two wings of the force or rather these two forces—the police force and the constabulary—should combine to meet the exigencies of the situation ?

A.—Yes.

Q.—So that shows that their duties naturally require them to co-ordinate if not actually come under one head ?

A.—Yes.

In reply to Dewan Bahadur Mudaliar :

Q.—Are you supposed to deal with crime in the settled districts ?

A.—Not entirely. I mean a gang may come down in the night (and can quite easily, as they did last year in hundreds), and take refuge in the district. Your ordinary police would not be sufficient. You would want some military force. The district police would have to deal with the gang until they could get the support of properly trained forces to help them.

Q.—As regards C. I. D. are you directly concerned with Imperial defence or are you concerned with crime primarily and secondarily with its reaction on the question of defence ?

A.—Both equally. We have a crime section and a political section to deal with such political matters as may lead to a breach of the peace. We also have to deal with external matters such as Bolshevism. . . We have to deal with the political influence which comes from India as from outside area. When you are talking of Imperial defence you are not limiting yourself to the tribal area.

Q.—May I take it that so far as the C. I. D. of this particular province is concerned, it must be under the central Government ?

A.—Yes. The general interests have to be safeguarded.

Q.—In any case you think that this cannot be a provincial subject ?

A.—No. That is what I said.

Q.—Then you have said (b) that the extra police required for the due protection of cantonments in the province should be a central subject, what is your idea in saying that it is a matter which should be included in the central subjects ?

A.—The necessity of the defence problem requires that there should be a much greater proportion of military forces on the Frontier to the total population inside the province, as in the case of other provinces. From a defence point of view the central Government has got a greater responsibility and it is absolutely essential for them to be sure that their cantonment area is so protected as to be absolutely safe and not easily broken under any circumstances.

Q.—Do you think that it will add to the efficiency of the police administration if the two forces as well as the other force called local levies, are brought under the control of the head of the police administration ?

A.—Yes.

Q.—That will strengthen the position.

A.—Yes.

Q.—You think that under such conditions all that will be required is to bring these three units and organize them into one solid unit ?

A.—Yes.

Q.—So the district police and the frontier constabulary will have to work in co-operation with each other ?

A.—Yes, in fact they have always been working in co-operation.

Q.—And then in (c) you say the necessity in frontier areas for police buildings to be fortified, and to be adequately guarded is also a matter which primarily concerns the central Government.

A.—Yes. There also the question is purely a financial one. As you might very well see the conditions here are so peculiar that you require special kind of protection for the police quarters.

Q.—You say that this must be done and the central Government will have to bear the charges ?

A.—Yes. This is necessary from the defence point of view . . . From the military point of view the central Government is responsible for trans-border defence and it is necessary to have special kinds of protection for the police here.

Q.—As regards (d) ?

A.—I say the criminals inside the districts can get shelter by going across the border . . . You have got on the other side no effective government and your police also have got to be armed to meet any situation across the border.

Q.—As to (e) ?

A.—The central Government are responsible for the border defence since they are responsible for the defence of India as a whole. And for this it is essential that they must have an absolutely efficient control over the forces here.

Q.—In view of what all you have said, I think I am right in concluding that you are prepared to recognize that the central Government should have a special voice in the matter of Police force here. It is so ?

A.—Yes, that applies to the frontier constabulary also. The central Government have got a serious responsibility in this matter—a responsibility which they owe to the whole of India.

53. The police and all-India interests.—The evidence of Mr. Adam and his statements show conclusively—

(1) that the district police and the frontier constabulary should be under the same authority, and that it would add to the efficiency of the police administration if the two forces are under the the control of the head of the police administration so that they may work in co-operation ;

(2) that there are certain branches of police work, for instance (a) certain aspects of the C. I. D., (b) the extra police required for the protection of cantonments, (c) necessity for fortified police buildings, (d) Extra burden thrown on the police by border crime, (e) the superior armament of the police here, which primarily concern the central Government ;

(3) that from the defence point of view the central Government has greater responsibility and it is absolutely essential for them to be sure that their cantonment area is so protected as to be absolutely safe and not easily broken under any circumstances ;

(4) that the central Government is responsible for the border defence since it is responsible for the defence of India as a whole and for this it is essential that it must have an absolutely efficient control over the forces here ;

(5) that the central Government should have a special voice in the matter of Police force ;

(6) that the central Government has got a serious responsibility in this matter, a responsibility which they owe to the whole of India.

54. His opinion : police under a minister.—His opinion that if the police be under the control of a minister it will enlist popular support is not based on experience. Under the Montagu-Chelmsford scheme, Police is a provincial reserved subject in charge of an executive councillor and not of a minister. We have yet to see, when the major provinces become autonomous, whether public opinion will come round to strengthen their hand. The chances are that through the intermeddling of their work by elected ministers, they will not be able to perform their duties so efficiently as now. Theoretically it may sound well to argue that if the police comes under the administration of a minister it will secure the co-operation of the public in the enforcement of law, but there is no data in support of the view that it will have the desired effect in the Frontier Province, or that it will change the characteristics of its inhabitants. How is it that in the major provinces up to now the police is not in administrative charge of a minister ? Are there in any other province so many matters which primarily concern the central Government ? Again is the police expenditure in any province a charge on the central revenues ?

55. Cost of police : charge on central revenues.—The strongest reason perhaps for keeping the Police under the control of the Governor as Agent is that the province does not pay a rupee towards its maintenance. The whole sum of 31 lakhs or 36 lakhs of rupees has to be disbursed from the central revenues. The administrative reasons for classing it as a central subject are forcible, but the financial considerations are supreme. Why should the central Government pay the money as a part of the subvention and keep no control over the forces ? It is sometimes alleged that the federal legislature will not be able to manage the police. Why ? The Government of India has in its staff the most experienced experts in every department of activity. Will not the tribal territory be central ? The Federal Government will have also to administer Ajmer-Merwara, Baluchistan, Coorg and Delhi provinces ; every one of them must have a police force.

56. Recapitulation.—To recapitulate the reasons and arguments for keeping the District Police as a central subject in charge of the Governor as Agent to the Governor General :—

(1) As regards law and order, you cannot split up under separate control the settled districts and the tribal tracts.

(2) There is no other way of meeting or guarding against fanatical outbursts, whether originating in the one or the other.

(3) All the high officers—Viceroys and Lieutenant Governors—were emphatic against separating the two.

(4) Most of the non-official frontier witnesses from the five districts were of the same view.

(5) The majority of the Bray Committee consisting of three high British officers and three distinguished Muslim gentlemen found that it was “not merely inexpedient but for all practical purposes it is impossible to separate the districts and tracts.” Their considered view was that “even in the internal administration, the peculiar position of the province, its financial dependence on central revenues, and the close and at times inextricable connection between its internal and external affairs—all these factors combine to call for a wider power of control and a closer supervision by the Governor General than he exercises over a Governor’s province.”

(6) The Indian Statutory Commission expressed the view that “the problem of the administration of justice and of promoting and preserving order in the five districts is intimately and indeed inextricably connected with the tribal tracts.”

(7) They therefore declared : (1) “In fact, the question of law and order which in other parts of India is a domestic and internal matter, in the North-West Frontier Province is closely related to the subject of foreign and diplomatic policy and of imperial defence” and (2) “the question of law and order in the North-West Frontier Province partakes of the nature of an all-India problem”. Hence the recommendation of a very cautious constitutional advance.

(8) It was on that account that the Indian Central Committee recommended the Morley-Minto Reforms for this province, denying any popular share in the executive.

(9) The Chief Commissioner's scheme contemplated that not only the frontier constabulary but the additional police in excess of the requirements of a British district elsewhere should be a central charge and not subject to the vote of the "Provincial Legislature". He asked for adequate controlling authority in the constitution which has not been given to him. The Government of India generally supported the above scheme.

(10) The views of the Special committee, appointed to examine the proposals for revision and increase of police, throw a flood of light on the factors—the temperament of the people, the proximity of tribal territory—which make conditions in the province altogether exceptional and peculiar to itself. Its comments on the increase of serious crime against the person demand serious thought.

(11) The difficulties arising out of the proximity of the tribal area were strikingly demonstrated during several months of 1930.

(12) Election will intensify factious feeling, as no degree of reform which Government can offer is likely to pacify the extremist and fanatical elements.

(13) Misgivings of Lord Reading and Sir Samuel Hoare: at the Sub-Committee No. V of the Round Table Conference the former said: "To transfer law and order bodily to the North-West Frontier Province seems to me an impossibility, because you would be immediately complicating and confusing conditions there and in a place which is the very centre of danger to India, which must obviously be the most dangerous spot for India". The latter was no less positive: "It seems so very difficult, in the conditions of the North-West Frontier, to draw a distinction between civil unrest of various kinds and something which develops very quickly into a military operation... how you can have law and order in the hands of one person, and the military side of it in the hands of another".

(14) Sir Denys Bray said: "I should like to look at the all-India aspects as I used to do as Foreign Secretary. From that angle it is seen that the affairs in the districts very often have their unexpected repercussions in the tracts".

(15) The Sub-Committee No. V of the Round Table Conference did not pronounce any decided opinion.

(16) See also Inspector General of Police on strengths for central services.

(17) All-India interests in the administration of law and order admitted in majority report.

(18) Reasons adduced by the Indian Statutory Commission for provincializing Police in the major provinces do not apply here. Their observations as regards North-West Frontier Province opposed to provincialization.

(19) Evidence of Inspector General of Police on matters which primarily concern the central Government.

(20) Responsibility of central Government for efficiency of police from a defence point of view.

(21) Popular control of police will not conduce to its better working in this province—no data in support.

(22) The whole police budget is defrayed from central revenues.

57. Conclusion.—Should not the judgments and opinions of all these authorities, official and non-official, with their unique experiences and wide knowledge of the frontier carry great weight with us. Are the cogent reasons advanced by them to be brushed aside on sentimental ground of equality with the major provinces? Has any great change for the better occurred in the attitude and temperament of the frontier people, which would justify us to disregard their views, and recommend that while the frontier constabulary should be classed as central in charge of the Governor, as Agent of the Governor General, the district Police, with their multifarious central duties, should be entrusted to the control of the legislative council through its minister? Those who advocate such proposals do not perhaps realise that they will be doing a disservice to the cause of self-government with the factious spirit predominant in the province. Is it not clear that the future minister must cater for votes and support to one of the parties? Whenever the police which will be looked upon as his agent causes trouble to individuals of the opposite faction, will not the cry go up that they are being persecuted through his influence or instigation? The police is the force responsible for law and order; they have to make arrests where serious offences are committed, to investigate and send up persons for trial. No other department comes into contact with the public as they do. In the words of Sir Sivaswamy Aiyer, K.C.S.I., C.I.E., formerly Advocate General and Executive Councillor I can only raise my feeble voice before concluding this part: “The gift of prophecy is denied to me. I can only form my judgment upon the evidence, and my task is only to warn the Government of India against the perils of the adventure, upon which they are urged to embark in the pursuit of a policy, which, I am afraid, will prove a monument of political unwisdom.”

PART IV.—CLASSIFICATION OF SUBJECTS.

58. Sir Norman Bolton on classification.—The Bray Committee had recommended that the five districts should be granted reforms by the creation of a legislative council with the “fullest powers compatible with financial considerations, the safeguarding of the minority and the securing of all-India interests”. It was therefore necessary to show the distribution between central and provincial of the income and expenditure of the North-West Frontier Province. On the basis of the classification adopted by Mr. Dutt of the Accounts and Audit Department, who had been specially deputed for the purpose, Sir Norman Bolton, the Chief Commissioner, with his letter of 25th June 1924, submitted elaborate statements and detailed explanations showing the distribution for the revised estimates of 1923-24, and the budget estimates for the year 1924-25. As these figures are six or seven years old, it is not necessary to quote them.

59. His remarks about district police.—As regards the district police he wrote :—

“The ratio of the district police to population in the Punjab is 1 : 1,000 whereas in the North-West Frontier Province it is 1 : 400. The

extra police in the North-West Frontier Province is necessitated largely by trans-border conditions. The people are exposed in every district to the incursions of tribes beyond the border and have to be allowed to arm themselves freely for their own protection and their armament results in frequent crimes of violence. The danger from across the border makes it necessary to have armed police in every station and escorts of prisoners, treasure, etc., have to be stronger than elsewhere. The extra strength of the police is also, to some extent, due to the comparatively greater number of cantonments in the North-West Frontier Province. In these circumstances I would suggest that the expenditure under this head be distributed equally between central and provincial."

These remarks show that the work of the district police is interlinked with the trans-border, and that the force is akin to the frontier constabulary and Intelligence Bureau which were wholly classed central.

60. **Proportionate distribution : provincial surplus.**—He proposed a distribution of the receipts and expenses under the different heads in proportion of half and half, or one-fourth and three-fourths provincial and central. He submitted a detailed statement giving the figures for 1924-25 under all the budget heads. In paragraph 25 of his letter the Chief Commissioner said :—

"On the above proposals the distribution of the estimates for 1924-25, between central and provincial, will be as shown in the statement. The total receipts assigned to provincial amount to Rs. 87,35,000 and the total provincial expenditure is Rs. 86,06,000 showing a surplus of Rs. 1,29,000. This item (of 4 lakhs for settlement operations in Peshawar) will nearly disappear in 1926-27, and at the same time it is expected that the receipts under the head V—Land Revenue—will increase by about 2 lakhs."

61. **Practical working of the scheme of divided heads.**—As regards the practical working of the scheme of divided heads proposed, Sir Norman Bolton did not think that "any difficulty should arise" as "expenditure is classified as central or is divided between central and provincial in fixed proportions".

He said :—"As regards voted expenditure if a provincial council is established, I can only suggest they should vote the provincial share of the divided votable heads before the central budget is presented in Assembly, and the Assembly should then be asked to vote the proportionate central share. This will give the imperial legislature the hold on the affairs of this province, which it is understood to claim on the basis of the contribution made from central funds to the administration. Should the central share at any time be refused it would be necessary for the provincial council to meet again and revise the budget".

62. **Present Chief Commissioner and divided heads.**—The matter six years later again engaged the attention of the local Administration. On 18th September 1930, the Hon'ble Sir Steuart Pears, Chief Commissioner, addressed the Foreign Secretary to the Government of India. He also advocated

for certain heads distribution of receipts and expenditure in fixed proportions between the central and provincial. On the basis of classification proposed by him the provincial budget for 1930-31 showed :—

	Rs.						
Receipts	81,68,000
Expenditure	96,50,000
Deficit	14,82,000

On 28th November 1930, he submitted a further representation as a result of further scrutiny, and stated that in consequence of "the changes now proposed, a sum of Rs. 5,04,000 as detailed in the margin will be transferred" from provincial to central, "and the provincial deficit of Rs. 14,82,000 as shown in the statements" already submitted to the Government of India, will be reduced to Rs. 9,78,000.

63. Discussions in Committee on that proposal and my view.—The letters of the Chief Commissioner came up before the Committee for consideration on 21st May 1931 and the record of discussions prepared by the Chairman, stated :—

"With regard to the practical effects of the scheme it would be necessary for the provision proposed by the provincial Government under each divided head to be submitted each year to the central Government. This would mean that the greater number of the budget heads would have to be voted every year not only by the provincial council but by the federal Assembly and there would be serious possibilities of disagreement between the two Governments. If there were disagreement, the view of the Centre would have to prevail. In effect therefore the provincial budget would have to be submitted every year for the sanction of the Centre, and this was felt to be inconsistent with the principle of an autonomous provincial Government."

On receipt of the above, I wrote on 24th May 1931, to the Chairman as follows :—"I would like to make it clear that in the interests of the province and the smooth working of its future constitution, it is of the highest importance that consistent with efficiency the amount of the annual subvention payable from the central revenues should be reduced to the minimum. There are two ways of doing this : by allowing certain heads of expenditure to remain under the Centre, and by limiting ever progressing demands for those which will be under charge of the provincial administration. If on sentimental or other grounds that course is found to be unacceptable, my view is that it will then be much better to fall back on the system of divided heads, which with the same object in view was prepared by the Hon'ble the Chief Commissioner. He must be presumed to be the best judge of its practical working. There may be some difficulties, but as he will remain the head of the provincial Administration and in touch with the Government of India as Agent to the Governor General these need not be insuperable. The advantage in the long run will be much greater."

64. Objections to Chief Commissioner's scheme not valid.—To me the scheme propounded by the Chief Commissioner appeared to be reasonable. It

removed the necessity of the subvention or reduced it to a minimum. Another advantage was that whereas it gave the provincial administration full control over certain heads of expenditure, it afforded to the central Government a hold on the affairs of the province and an opportunity of check and supervision over expenses towards which it had to make contributions in fixed proportions. These divided heads would have been subjected to double scrutiny. The provincial administration having to find one-half or three-fourths of the expenses would have avoided extravagance. The objection that there might have been "serious possibilities of disagreement" could and ought to be met by the provision that the view of the Centre must prevail. When the province was in want of funds what harm could there be if the provincial budget was submitted every year to the Centre? How was it inconsistent with the principle of autonomy when the province would have been free to spend the whole of its revenue? Would it not have been inconsistent with that principle for the central Legislature, if it had to provide funds over which it had no control whatever, and which though appearing as a charge in its budget for civil expenditure was like the Army not subject to its vote? While so much concern was felt for provincial autonomy, no thought was paid to the same autonomy of the central Legislature which had to provide the money out of its budget.

65. Political maxims : Finance.—Political leaders in England, when struggling against the autocratic powers of their sovereigns, invented the war-cry "No taxation without representation", and the advocates of Swarajya in India are never tired of citing this maxim in support of their demand. But there is another political maxim which manifestly is of universal application; every province or tract which clamours or aspires for self-rule must pay its own way, and find the money required for carrying on the administration efficiently. All States in Europe including those constituted after the Great War, as also the States which form the United States have to limit their budget expenditure within their income unless they can borrow money on the credit of their revenues. Such a procedure, so far as we are aware, does not prevail in any other country in the world whether in South America, Africa or Asia*.

Anyhow no other province in India is or has been in receipt of such a subvention. Why should a legislature which raises money by taxation give away huge sums to another body to spend, without keeping any control over the latter as to how and where the money goes?

66. Frontier constabulary.—I am glad that as remarked elsewhere in accordance with the views of the Chief Commissioner the frontier constabulary has been classified as a central subject; it had always been a charge under Watch and Ward 29A. Its duties are patrolling of the border for preventing raids and capturing gangs of raiders and outlaws and obtaining information of events across the border.

67. Provincial subjects in major provinces.—The majority has recommended that all subjects which were classed as provincial in the major

*We are told that New South Wales gets financial assistance from the Australian Commonwealth and the maritime provinces receive a subsidy from the Canadian Centre. Nothing is known as to the amounts thus paid, for what period, on what conditions and under what circumstances and for what revenues, nor their proportion to the revenues of the insolvent states. Such instances, if there are, cannot create a precedent.

provinces should be classed accordingly in the North-West Frontier Province. They have made no distinction between transferred in charge of ministers and reserved subjects in charge of executive members, and have thus gone far ahead of the powers which the major provinces now possess. It was no concern of any one to see how the province was going to pay for all these services. The huge deficits, they thought, would come in lump sums from the Centre without its having any control whatever over their expenditure. All canons of financial administration have thus been thrown to the wind. Can such a scheme be acceptable to any trained financier? Even the subjects such as frontier remissions and strategic roads which the Chief Commissioner, the Government of India, and the Round Table Conference indicated as fit to be classed as central as being of All-India importance have been proposed to be provincialized.

68. Majority recommendations : basic figures and subvention.—The Majority Report has based its classification on the so-called “Basic figures”. The provincial revenue, taking these figures, comes to Rs. 70,62,000 while the budget estimate for 1931-32, put the figure at Rs. 75,21,000. On the expenditure side the basic figures total Rs. 1,80,09,000 with a normal annual growth of Rs. 2,00,000 as compared with the total of Rs. 1,79,50,000 as per budget estimate for 1931-32. Thus while according to the latter the provincial deficit was estimated as Rs. 1,04,29,000 the basic figures put it at Rs. 1,09,00,000 with a normal growth of two lakhs a year. Thus taking the basic figure of the subvention for a five-year period commencing in 1933-34, it will amount to Rs. 117 lakhs. If the provision for the new schemes is made including recurring expenditure 5½ lakhs on Police and the subvention including provision for ministers, legislative council and secretariat (2½ lakhs) would amount approximately to Rs. 146 lakhs in the first year rising each year by 4 lakhs to a maximum of Rs. 162 lakhs until the expiry of the first period of five years. The central revenues would under the scheme receive back a sum of 14·25 lakhs annually, namely, 3 lakhs repayment of provincial loan account debt and 11·25 lakhs interest. The majority recommend also that “the subvention should be by rule a statutory charge on the central revenues” and further that “the expenditure of the subvention, as of the provincial revenues raised in the province, should be at the discretion of the provincial Government, and should not be open to interference by, or criticism from, the central Government.” The central Legislative Council, that will thus pay nearly two-thirds of the revenue shall have no control whatever over the expenditure, which will be at the absolute disposal of the province whose contribution will be only one-third of its cost.

69. Proposals opposed to financial maxims.—For me to comment on such proposals is superfluous; they appear to me extreme instances of generosity at the expense of others and infringe all basic principles of financial control.

70. Any alternative scheme.—The question will at once be asked is there any alternative scheme? What is the way out of the difficulty? The province admittedly cannot pay for all its services nor can the administration go on for a day, if it has to depend on its own revenues. Is there any plan under which the provincial administration shall be master in its own house, and the central Government have control over the large sum of money which is wanted as financial assistance? The remedy must be forthcoming.

71. **Actuals 1926-27 to 1930-31: budget 1931-32, provincial and central.**—I attach at the end of this Part IV four statements compiled by the Assistant Financial Secretary, which show the actuals for the years 1926-27 to 1930-31 and the budget estimates for 1931-32 :—

Annexure B. Receipts Provincial.

Annexure C. Receipts Central.

Annexure D. Expenditure Provincial.

Annexure E. Expenditure Central.

The provincial heads are those which now obtain in the major provinces. I have had columns added to show that under the Montford scheme which of the heads are transferred, subject to vote and in charge of ministers, and which are reserved non-votable under control of executive councillors. The figures for 1930-31 are not final as many adjustments have yet to be made. Though the actuals for the past five years give an idea of the revenues and expenditure and are useful for purposes of comparison and for striking averages they cannot form the basis of future calculations. I shall therefore take for my guide the budget estimate for 1931-32 without troubling myself with basic figures, which have elaborately been worked out and taken as basis for the majority Report.

72. **Central heads of expenditure.**—Let us first have a glance at the totals of the budget estimates for 1931-32 of revenue and expenditure :—

	Expenditure.		Receipts.	Deficits.
	Rs.	Rs.	Rs.	Rs.
Provincial	1,79,50,000	75,21,000	1,04,29,000	
Central	1,60,24,000	11,63,000	1,48,61,000	
Total N.-W. F. Province ..	3,39,74,000	86,84,000	2,52,90,000	

It is not necessary to discuss the central figures as they exhibit the receipts and expenses of the tribal tracts as also of the heads which are classified as central in the major provinces. They are :—

Central heads of expenditure.

	Rs.
1. Customs	15,000
2. Taxes	79,000
3. Excise (Chitral, U. P., etc.)	4,68,000
19. Interest—	
Gross payments	1,62,000
Deduct Interest :	
Transferred to Irrigation	—10,21,000
Transferred Forest	—24,000
Net	—8,83,000
20. Interest on other obligations	71,000
28. Ecclesiastical	86,000
29. Political	27,16,000
29-A. Frontier Watch and Ward :	
Pay and other charges of Scouts, Militia, and Frontier Constabulary	95,85,000
Buildings and Communications	38,01,000
37. Census	35,000
38. Currency	5,000
44. Territorial and Political Pensions	46,000
Total central ..	1,60,24,000

If we add to this sum 8,83,000 shown above as a minus entry, on account of interest deducted from the gross payments, the total comes to Rs. 1,69,07,000. If we deduct from the amounts shown opposite heads Nos. 1, 2, 3, 20, 28, 37 and 38 aggregating Rs. 8,04,000 which are common to whole of India the net cost of the tribal tracts comes to Rs. 1,61,03,000 a very big sum.

73. **Provincial expenditure : reserved and transferred.**—We are, however, concerned mainly with provincial expenditure and receipts. If their classification follows that adopted under the Montford scheme of reforms they exhibit a deficit of Rs. 1,04,29,000. The provincial heads under it were, however, divided into Reserved and Transferred. Suppose that scheme were in force in the North-West Frontier Province the distribution of expenditure would have stood as follows :—

	Budget 1931-32.	
	Reserved.	Transferred.
5. Land Revenue	3,45,000	
6. Excise	21,000	
7. Stamps	8,87,000	12,90,000
8. Forests	8,87,000	
8.-A. Forest Capital Expenditure	16,000	
9. Registration .. .. .	..	15,000
14. Interest on capital irrigation outlay	10,21,000	
15. Navigation Works	95,000	
16 and 53. Irrigation capital expenditure	86,000	
22. General Administration	18,89,000	
Pay and Accounts Office	1,30,000	
24. Administration of Justice	7,90,000	
25. Jails	10,08,000	
26. Police	31,85,000	
30. Scientific Departments .. .. .	..	5,000
31. Education .. .. .	..	22,11,000
32. Medical .. .. .	..	8,27,000
33. Public Health .. .. .	..	1,29,000
34. Agriculture .. .. .	..	2,84,000
37. Miscellaneous Departments	2,000	1,000
41. Civil Works .. .. .	..	39,24,000
45. Superannuation allowances, and Pensions	4,87,000	55,000
46. Stationery and Printing (estimate)	72,000	..
47. Miscellaneous	23,000	56,000
15. Irrigation Works financed from ordinary revenue	2,55,000	..
Total	1,03,14,000	76,36,000

The above table throws considerable light on the subjects in charge of the ministers if the Reforms of 1921 had been extended to this province. They would have had no control on the non-votable reserved heads of expenditure aggregating Rs. 1,03,14,000. The vote of the legislative council would have been confined to heads totalling Rs. 76,36,000. Land Revenue, Forests, Irrigation, General Administration, Administration of Justice, Jails, Police, and Superannuation allowances and Pensions would have been outside their authority. This fact must be kept in mind in formulating our proposals. The local council cannot at a jump be invested with full powers over vast sums, which are not raised in the province.

74. Broad points indicated by Sub-Committee of Round Table Conference.—Our difficulty will be considerably lightened if we follow the broad point indicated by the Sub-Committee No. V of the Round Table Conference ; they said :—“ The broad point is that in making the dividing line between central and provincial subjects, regard would be had to the need for classifying as central certain subjects of all-India importance peculiar to the present administration of the North-West Frontier Province, which could not properly be entrusted to the provincial Legislature ”. And again : “ In view in particular of the close relation of the province with matters of defence and foreign policy the Sub-Committee considers it essential that all matters of all-India importance and all matters connected with the control of the tribal tracts, for instance, the frontier constabulary, frontier remissions and allowances, the strategic roads, should be excluded from the purview of the provincial Government and classed as central subjects ” The Majority Report has paid little heed to these directions. In their view there are no matters of all-India importance, with the exception of the tribal tracts and the frontier constabulary which are already classed under 29-A—Watch and Ward. Within the settled districts they do not regard any subjects as of all-India importance ; their one concern has been to show that in respect of all the heads the province will be absolutely autonomous in spending the central money and its own revenue.

75. My scheme of classification securing provincial autonomy and central interests.—The scheme for classification of subjects which I give in outline is very simple ; it gives full autonomy to the province greater than it could have enjoyed under the Montford reforms, and it places under the control of the central Government certain matters of all-India importance equivalent to the amount which the Centre is required to contribute towards the civil administration of the districts. It may be remembered that according to the budget estimates of 1931-32, there is under provincial head a deficit

of Rs. 1,04,29,000 which must come from the central revenues. The heads, which in my view, ought to be classed as central are as follows :—

	Expenditure.	Receipts.	Net.
	Rs.	Rs.	Rs.
I—Police	31,85,000	68,000	31,17,000
I—Jails	10,08,000	1,39,000	8,69,000
III—Civil Works (Roads and Buildings) ..	39,24,000	55,000	38,69,000
IV—Heads of departments :—			
(a) Chief Commissioner, his staff and Secretariat	4,21,000	..	..
(b) Pay and Accounts Office	1,30,000	..	..
(c) Revenue Commissioner's office including Development Commissioner ..	2,28,000	..	..
(d) Judicial Commissioner	1,37,000	..	..
(e) Chief Medical officer	71,000	..	..
(f) Irrigation. (exact figures not available) about	70,000	..	10,57,000
V—Assignment of Land Revenue (Colonel Keen's Figure) ..	4,75,000	..	..
Frontier remissions	55,000	..	6,20,000
VI—Interest .. .. .	..	..	10,21,000
			1,04,53,000

Some explanation is necessary to show why I consider these subjects as of all-India importance and hence central, or such as should be charged to the central revenues since they are being incurred owing to the Government of India policy of separating the districts from the Punjab.

I shall now proceed to give my reasons for centralizing each of the above heads.

I. Police : Net Expenditure Rs. 31,17,000.

76. **The Police.**—In part III of my minute I have discussed at some length why I consider the district police in this province as of all-India importance. I shall here refer to one aspect of the question which will bear repetition. The Majority Report says :—“ We recognize that there are certain elements in the provincial administration which cannot be without their all-India interest. The most important example is the administration of law and order, internal disturbances within the administered districts must have an unsettling effect on the tribal tracts and may thus create a situation which reacts at once on the question of defence. The scheme of the Sub-Committee of the Round Table Conference contemplates that the Governor should be the President of his own Cabinet, and this provision would afford a sufficient assurance that the all-India interests in the preservation of peace along the border will not be over-looked.” Is not

this position clearly opposed to the view of the Round Table Conference Sub-Committee which considered it essential that "all matters of all-India importance should be excluded from the purview of the provincial government." Why should the Governor as President of his Cabinet be made responsible for the preservation of peace along the border? Why not entrust this matter affecting directly all-India interests to him as Agent to the Governor General since the Centre has to find the necessary funds for the maintenance of the force? Will he have the time to look closely when the head of the Police will be subordinate to the minister? I have already pointed out that when a minister has the mandate of the majority in the legislative council, for instance, to reduce the strength of the police and apply the saving, say towards Education, it will become extremely difficult for the Governor to over-ride such a proposal. As I have already said the remarks in paragraph 63, Volume II of the Statutory Commission's Report, on which so much reliance is laid by the majority, do not apply to the circumstances of this province. The Police is one of the forces—Frontier Constabulary, Militia, Scouts and Khassadars—for preventing crime and disturbances. The opinion of the Inspector-General in favour of the recommendations is hypothetical and not founded on any experience here or in any other part of India.

II. Jails : net expenditure Rs. 8,69,000.

77. **Jails.**—Prisons are an important part of the machinery for the maintenance of law and order and are in reality bound up with the Police. The two must go together. It may be noted that in proportion to the population of the province, the cost is much higher than in any other Indian province; violent crime is rampant. Many trans-border prisoners are also confined in them. The Jails should be under the Governor as Agent and will form a charge on the central revenues. If provincialized the Administration could not meet the bill from its own resources; laxity and indiscipline will also result.

III. Civil Works : net expenditure Rs. 38,69,000.

78. **Civil Works.**—This head includes Roads and Buildings within the settled districts. The reason for classifying it as central is that it includes roads of military importance, *i.e.*, strategic roads which being of all-India importance, the Chief Commissioner, the Government of India and the Sub-Committee of the Round Table Conference instanced as a subject that "should be excluded from the purview of the provincial Government."

79. **Present arrangement under Military Engineering Service most satisfactory.**—The arrangement under which these works have been in charge of the Military Service Engineers has been coming on, it is believed, since thirty years when the Frontier Province was separated from the Punjab, and has admittedly worked most satisfactorily. The high standard in which the roads, perhaps the finest in the whole of India, are maintained speaks volumes in favour of the service. The proposal of the Majority to disturb the present arrangement, and to create a new Department of Public Works (Roads and Buildings) in charge of the Chief Engineer, Irrigation, is not sound; it will neither conduce to better control nor to greater efficiency. On the contrary as appears from the evidence of the experts given before the Committee, it is bound to lead to deterioration. The Majority Report says: "The civil work is in charge of a military Deputy Chief Engineer who is also Secre-

tary to the local administration in the Public Works Department (Buildings and Roads). This arrangement has been justified in the past on various grounds. The civil administration has been saved from the necessity of organizing a small buildings and roads establishment of its own, and the work has been done with a high standard of efficiency at a cost little different from that which would have been incurred by the employment of a special civil staff. The Military, on the other hand, have had the advantage of carrying out by their own staff and on their own standards all work on roads of military importance." Then why a change? The present Secretary in the Buildings and Roads Branch (Colonel Haswell) emphatically repudiated the assertion in the report of the 1927 Committee and denied that works of military and political importance could receive "preferential treatment to the detriment of those required merely to meet the needs of the civil population."

80. No good grounds for the change.—The Committee of 1927, which examined the proposals put forward by the Chief Commissioner for the transfer of certain roads and buildings from the charge of the Military Engineering Service to that of the Public Works Department, consisted no doubt of eminent Engineers. They did recommend the change proposed, but their report was apparently shelved by the Government and the transfer was not sanctioned. The former arrangement has continued though four years have elapsed.

81. No new grounds.—What are the new grounds for making the change? There are no roads of military importance in any of the Governors' provinces though there is a Devolution rule 12-A by which the Governor General in Council can declare that "any road or other means of communication is of military importance and to prescribe in respect thereof the conditions subject to which it shall be constructed or maintained", and apportion the expenditure between the Government of India and the local Government. No such declaration has ever issued, presumably because in the only province (North-West Frontier) in which roads of military importance existed they were under the Military Engineering Service. It is therefore of no use calling in the aid of this rule in support of the change proposed. One difficulty to which pointed reference has been made in the Majority Report is that "a provincial minister might find considerable practical difficulties in working his department through a military agency". The force of this objection is not clear; the Deputy Chief Engineer will continue to be the Secretary in the Public Works Department Branch and the Governor as head of the provincial administration will still be there to solve any difficulty that may arise.

82. Evidence of Colonel Haswell, Secretary P. W. D.—Let us have a look at the evidence recorded before the Committee. Colonel Haswell said: "In the case of some roads which are held to be of military importance, if the civil standard is the same as the standard required by the military, then the central government pays the whole of the cost of maintenance. But if the military require a higher standard than the civil, then the civil bear two-thirds and the military one-third of the cost".

(2) "Kurrum-Tochi road; Bannu-Isha road; Isha-Miranshah; one-third military two-thirds civil. These are all across the border. Peshawar-Michni road. Mardan-Dargai (partly inside). Kohat—Tajad to Tank."

(3) "As I have said in my note every single road in the North-West Frontier Province should be considered as a road of potential military importance

and in times of trouble when it is required for military purposes, it will immediately be taken over". " In the whole Frontier there may be tribal trouble anywhere, and in such times the line of communication must be taken by the military Engineers".

(4) " The life of some of these roads before they were tarred was 18 months. After that period they had to be re-metalled. But after they are tarred their life will be more than doubled. Our roads are some of the best in this part of the world. "

(5) " I see no difficulty at all because the Secretary, Public Works Department, will presumably take his orders from the ministers".

(6) " In the whole of my 25 years in this Frontier I have never known of any question coming up in which there has been any difficulty of any work not being completed in time. To the engineer it makes no difference whether a work is civil or military. His object is to get the work done as quickly as possible and within the prescribed time".

(7) " Our percentage charges for carrying out the work for the Public Works Department is 13½ and there is no department in the whole of India that can reduce establishment charges as low as that".

(8) " The idea is that anybody can build a road. They cannot. You want an experienced engineer to build a road. In the Punjab they found that by moving people from Buildings and Roads to Irrigation and *vice versa* they lost their expert knowledge and they found that it was an uneconomical proposition. Therefore they divided the two and got them separated, because for irrigation you want an expert and for roads you want another expert, and you must have people who are doing a particular work all their lives to be of any good. Anybody can build a road, but it will not last, and further it will cost 3 times as much".

(9) " The main point is that the Military Engineering Service carrying out the work can do it cheaper than anybody else, and you have got more efficient service at present because we have got more officers. The secret of work is supervision".

(10) " These roads are definitely classed as of military importance in the statement".

(11) " Because the military bear a portion of the charge, I think they will probably demand to have a certain amount of supervision and control".

(12) " The Military Engineering Service you can call a very very large establishment and we can take on anything. I could think of nothing that we took in which we failed".

(13) " Strategic roads are roads of military importance".

(14) " All that I do for the military is to supervise the work that is being carried out in the other districts when I am inspecting civil works. "

What does the above evidence show, that the work is being done efficiently and cheaply and there has been no difficulty, nor need there be in the future.

83. Evidence of Chief Engineer, Irrigation.—Mr. Burkitt, Chief Engineer, Irrigation, when questioned about the roads said: "There are strategic roads and these have necessarily to be under the Military Engineers.

Q. Then I will put it in this way. Do you feel any incapacity for running the Civil Works Department as well as the Military Department does it at present ?

A. Our staff is not probably so good.

Q. You mean the qualifications of the staff or the amount of the staff ?

A. I don't mean the amount of staff. I mean the type of men who will be the officers.

Q. Do you mean to say that the roads and buildings that you have got under your charge are not efficiently run ? Do you mean that the irrigation officer is not quite up to the same standard as a military officer in the matter of professional qualifications ?

A. Possibly we carry on the irrigation at an even higher standard than the military, but my experience of the ordinary officer of roads and buildings on the civil side is that he is pretty indifferent. The upkeep of a road depends entirely on the subordinate officer's sense of duty. Higher officials cannot ensure that the subordinate officers are looking after their work properly specially over scattered roads.

Q. You don't think that if these two departments are combined and if they can be brought under one management it will be a more popular system than at present ?

A. I don't know what popularity means. Popularity for what purpose ?

Q. The roads will improve under our management. They will be more economically run on account of their being brought under a purely civil department. I mean some such things ?

A. I do not suggest for a moment that they would be better.

Q. You mean then that it will be a matter of economy at the sacrifice of efficiency ?

A. Probably yes.

Q. Do you mean to say that you will not be able to keep the roads satisfactorily, simply on account of lack of funds and that you do not attribute it to lack of efficiency. Am I to understand like that ?

A. It depends upon how hard up for money you are. If yours is a wealthy province then you may have very good roads ; otherwise you cannot have.

Q. Take it for a moment that we are expecting a windfall from somewhere and supposing you get the money, even then you think that (with proper funds at your disposal) you will not be able to maintain the roads as efficiently as the military are doing at present ?

A. Not the main roads. But probably on the district roads we will do better. On the main arterial road they get better supervision now than they will receive under me. On district roads—Mardan-Swabi road for example—I think we could probably do as efficiently as the military, because this road for example does not get sufficient amount of supervision even now.

Q. Because there exist no exigencies of military services ?

A. Yes.

Q. So you are rather considering the question of efficiency from the military point of view and not from the provincial government point of view ?

A. Yes. Nearly all the roads in this province are of military importance.

Q. There are a few roads which are for provincial purposes and the rest are for military exigencies and military convenience.

A. Yes. Roads in Hazara are not of military importance to the same extent as these other roads here.

Q. Supposing the Government were prepared to consider the question of unitary administration and we are to manage our own affairs as far as possible and we have to run our Public Works Department also just as other provincial departments, in that case will it be only the question of finance that would influence you or are you still of opinion that from the efficiency point of view you will not be quite up to the mark in the matter of keeping these roads in the same good order as the military is doing at present ?

A. I think we will not be able to keep them in the same order simply because we can pay more, it does not mean that we will get so much attention paid to those roads. I consider that we have a better class of officers for the purpose now, than we will have if they were under the provincial Government.

Q. Do they get better salaries ?

A. I do not know. I am afraid I do not study other men's pay.

Q. Colonel Haswell told us that they have a very large staff to supervise.

A. I don't agree with that point. The quality of his garrison engineers is better than the quality of my officers on the whole. I agree that some of my officers are probably better than any of his, but the average is lower in my case.

Q. Let us consider a separate province (say Punjab), which has a separate Public Works Department to look after these important roads which come under the Devolution rules. Do you mean to say that those people have better qualifications than your department people ?

A. Not so. The roads in the Punjab are not so good as they are here.

Q. In that respect then it means only the question of money ?

A. Not at all. It is a matter of efficiency of the officer. That is something technical. The efficiency of the engineer is not understood by the man in the street.

Q. For looking after works in general you mean to say that special efficiency is required and special sense of duty ?

A. Yes.

Q. Will that apply to buildings too ? Are you less efficient in regard to buildings too ?

A. Yes. I should say so.

Q. We were told that military people are not very good in building works.

A. I am saying that as far as looking after the execution of work goes. We may be better in designing. I do not say that the military people are better than us in designing.

Q. Is it not due to want of staff ?

A. Not at all. For instance, you may have two sub-divisional officers ; of these two, one inspects each and every brick that is used in the constructions and goes supervising the whole day, while the other sleeps in the room for one week and then goes to inspect the construction for a day or so.

Q. If your people are paid the same amount of money which the military department pays, probably they also will do in the same way.

A. No.

Chairman.—I think Mr. Burkitt has made his position clear in this regard. He does not consider it to be purely a question of the number of the staff.

84. General Officer Commanding, Northern Command, opposed to transfer.—The Chairman on 2nd June 1931 put the whole case for provincializing the roads maintained by the military authorities to the G. O. C., Northern Command, and suggested the following three courses :

- “(a) To entrust all roads (and buildings) within the settled districts to the civil Public Works Department, working under the provincial Government, and to provide for military interests by conditions laid down under Devolution rule 12-A ;
- (b) to keep all roads (and buildings) in the settled districts a provincial subject as in (a), but to continue to entrust their construction and maintenance to the Military Engineering Service working as the agents of the provincial Government ;
- (c) to treat roads of military importance as a central subject to be administered by the military authorities, while all other roads in the settled districts and all buildings would be a provincial subject in charge of the Civil Public Works Department.”

The gist of the reply from the G. O. C., Northern Command, is given in the Majority Report, that for military reasons the Military Service Engineers should be entrusted with the construction and maintenance of such roads.

85. Military interests and all-India defence interests.—In face of these facts can it be reasonably maintained that the military interests and through it the all-India defence interests will not suffer if these roads and buildings are transferred to the Civil Public Works Department to be newly created. I do not think there will be any saving as the charge for pensions of the new Superintending Engineer and staff of the two new divisions has not been taken into account. Colonel Haswell was positive that the present arrangement under which 13½ per cent. is charged for establishment on the work done is the cheapest and most efficient.

86. Why not central when Centre pays for civil works.—Another point which is lost sight of is that the provincial Administration has to depend for its expenditure on civil works on the central revenues. Why should the subject not be classified as central ? This would avoid the necessity of the military authorities keeping a supervising staff to see that the military roads and buildings were maintained at the proper standard and thus avoid friction. There will also be fear of duplicating the staff.

IV. Heads of departments : Rs. 10,57,000.

87. Chief Commissioner : heads of departments.—The salary of the Chief Commissioner (Governor) his staff and secretariat should in my opinion be paid wholly from the central revenues. Much of the work they do is political or connected with the tribal tracts, and though he will be head of the provincial Administration I do not think that grants for his office, etc., should

be subject to the vote of the local council. If a cut is proposed in a spirit of bravado by some member when the budget comes up for discussion, his prestige will suffer, and if it is carried by the majority his position will become awkward. Sir Norman Bolton proposed that half of his salary should be charged to central. The case of the heads of departments is still stronger. There would have been no necessity of employing them had the five districts not been separated from the Punjab for strategical and political reasons. Had there been no separation the heads of departments in the Punjab would have administered the various activities in the districts more efficiently. It is, moreover, a just complaint that the administration of the Frontier Province is top-heavy owing to its small area and limited resources.

V. Assignment of Land revenue and frontier remissions : Rs. 5,20,000.

88.—**Jagirs and political pensions.**—Frontier remissions and allowances are specifically mentioned in the letter of the Chief Commissioner, in the Despatch of the Government of India and in the report of the Round Table Conference Sub-Committee as a subject which should be classed central. Frontier remissions are granted to border villages for certain services in connection with the tribal territory and in regard to risks because they are more exposed to raids. The remissions act as an incentive to good behaviour as in case of misconduct they are liable to be withdrawn. Assignments of revenue (Jagirs) and political pensions were sanctioned mostly for services beyond the border, or in Afghanistan. In some cases they were granted for distinguished military services or in consideration of the recipients being descendants of Nawabs and others who were rulers in pre-British days. These assignments reduce the amount of land revenue which would otherwise have been received by the provincial administration. The Government of India will have to repay this amount in cash as a fixed grant. These assignments should be central and though the majority also make plain that “ the Jagirs and grants of this character should not be liable to resumption or modification except by the orders of the central Government ” they would still class them as provincial.

VI. Interest : Rs. 10,21,000.

89. **Interest.**—This is the only item in which I would ask for indulgence for this deficit province. The amount has hitherto been disbursed from contributions paid by the Centre. If for purposes of account this procedure is impracticable the debt against this province on account of capital charges for Irrigation and Forests may be written off and taken over by the Centre so that the new Administration may start with a clean slate as regards liabilities.

90. **An autonomous province.**—Even if these heads of expenditure are classed as central the provincial Administration will have Rs. 75,21,000 in its budget to spend or what it could have in hand under the Montford scheme. It will, moreover, have under its charge Land Revenue, Forests, Irrigation, General Administration, Administration of Justice (excluding the Heads of Departments) and Superannuation Pensions which were reserved subjects. It will be fully autonomous not depending on the Centre for any doles or financial assistance. It will have made over to the Centre such heads as were most embarrassing as regards expenses and for which it could never find the money. It will not be subject to any interference in respect of roads, etc.

ANNEXURES.—The following are the Annexures:—

ANNEXURE B.

RECEIPTS.

Statement showing the actuals for the years 1926-27 to 1930-31 and the Budget Estimate for 1931-32.

(In thousands of rupees.)

Heads.	Actuals.					Budget Estimate 1931-32.	Remarks.
	1926-27	1927-28	1928-29	1929-30	1930-31 (not final).		
<i>Provincial Heads.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
V.—Land Revenue ..	23,11	21,83	18,84	21,07	17,21	21,01	
VI.—Excise ..	4,80	15,23	11,69	10,72	6,12	9,95	
VII.—Stamps ..	11,30	11,29	11,62	10,91	9,06	9,89	
VIII.—Forests ..	7,91	7,57	8,29	8,64	7,11	10,00	
IX.—Registration ..	81	77	78	76	64	69	
XIII.—Irrigation—							
Gross Receipts (Direct and Indirect)	21,11	17,54	15,70	19,96	14,78	21,71	
Deduct Working Expenses	10,91	9,38	7,55	10,53	11,35	8,64	
Net Receipts ..	10,20	8,16	8,15	9,43	3,43	13,07	
XIV.—Irrigation ..	..	..	1	1	2	..	
XVI.—Interest ..	76	1,23	92	77	92	93	
XVII.—Administration of Justice ..	2,37	2,54	2,17	1,92	1,69	1,65	
XVIII.—Jails and Convict Settlement ..	1,13	1,23	1,19	1,36	1,23	1,39	
XIX.—Police ..	31	46	55	66	15	68	
XXI.—Education ..	44	50	56	64	60	63	
XXII.—Medical ..	1	2	50	37	87	77	
XXIII.—Public Health ..	1	3	2	2	5	5	
XXIV.—Agriculture ..	53	14	30	32	35	35	
XXVI.—Miscellaneous Departments ..	2	1	3	2	68	2	
XXX.—Civil Works ..	67	74	63	45	58	55	
XXXIII.—Receipts in aid of Superannuation ..	62	34	24	29	28	28	
XXXIV.—Stationery and Printing ..	42	15	26	62	52	29	
XXXV.—Miscellaneous ..	2,94	2,66	3,83	4,44	3,23	3,01	
Total Provincial Heads ..	68,36	74,90	70,38	73,42	54,74	75,21	

ANNEXURE C.

RECEIPTS.

Central.

(In thousands of Rupees.)

Heads.	Actuals.					Budget Estimate 1931-32.	Remarks.
	1926-27	1927-28	1928-29	1929-30	1930-31 (not final).		
<i>Central Heads.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
I.—Customs ..	2	2	2	2	1	2	
II.—Taxes ..	10,10	9,85	9,73	9,87	8,14	8,89	
XXVII.—Currency ..	7	7	6	7	6	7	
XXXIII.—Receipts in aid of Superannuation ..	11	12	12	10	5	7	
XXXV.—Miscellaneous ..	2,49	2,62	2,04	1,93	1,88	2,58	
Total Central Heads ..	12,79	12,68	11,97	11,99	10,14	11,63	
Total Provincial and Central Heads ..	81,15	87,58	82,35	85,41	64,88	86,84	Represent Receipts in Agencies.

ANNEXURE D.

EXPENDITURE.

Statement showing the actuals for the years 1926-27 to 1930-31 and the Budget Estimate for 1931-32.

(In thousands of Rupees.)

Heads.	Actuals.						Distribution of Budget Estimates for 1931-32 into		Remarks.
	1926-27	1927-28	1928-29	1929-30	1930-31 (not final)	Budget Estimate 1931-32.	Re-serv- ed.	Trans- ferred.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<i>Provincial Heads.</i>									
5.—Land Revenue ..	7,27	6,23	5,83	4,60	3,74	3,45	3,45	..	
6.—Excise ..	78	99	1,01	1,16	1,35	1,29	..	129	
7.—Stamps ..	31	30	26	28	17	21	..	—21	
8.—Forests ..	6,41	6,91	7,72	8,04	7,83	8,87	8,87	..	
8.-A.—Forest capital expenditure ..	..	2,58	80	36	29	16	16	..	
9.—Registration ..	12	13	15	14	14	15	..	15	
14.—Interest on Capital Irrigation Outlay ..	9,71	9,72	9,86	9,94	10,16	10,21	10,21	..	
15.—Irrigation Works financed from ordinary revenue ..	1,26	—17	2,31	3,21	3,01	2,55	2,55	..	
15.—Navigation ..	85	2,51	3,87	1,38	1,06	95	95	..	
16 and 55.—Irrigation capital expenditure ..	—66	1,45	2,05	3,53	50	86	86	..	
22.—General Administration ..	16,78	17,23	17,37	18,24	18,45	18,89	18,89	..	
23.—Pay and Accounts Office ..	..	..	..	1,02	1,33	1,30	1,30	..	
24.—Administration of Justice ..	7,02	7,42	7,55	7,71	7,85	7,90	7,90	..	
25.—Jails ..	6,92	7,24	7,55	8,24	8,41	10,08	10,08	..	
26.—Police ..	27,33	27,42	28,35	29,47	34,84	31,85	31,85	..	
30.—Scientific Departments ..	6	5	5	5	5	5	..	5	
31.—Education ..	13,24	17,73	18,59	19,77	20,55	22,11	..	22,11	
32.—Medical ..	4,89	4,21	4,21	6,17	5,26	8,27	..	8,27	
33.—Public Health ..	1,05	85	1,02	1,05	1,13	1,29	..	1,29	
34.—Agriculture ..	1,50	1,56	1,53	1,93	2,14	2,84	..	2,84	
35.—Industries ..	..	..	7	..	..	..	..	..
37.—Miscellaneous Departments ..	3	2	2	2	2	3	2	1	
41.—Civil Works ..	30,71	24,64	30,82	38,05	48,85	39,24	..	39,24	
43.—Famine Relief ..	..	..	..	..	7	..	..	..
45.—Superannuation Allowances and Pensions ..	5,48	4,90	4,59	4,80	4,79	4,89	4,89	..	
45-A.—Commutation ..	..	..	..	..	..	..	..	..
46.—Stationery and Printing ..	1,25	1,07	1,01	1,23	1,18*	1,27	72	55	
47.—Miscellaneous ..	59	59	71	80	69	79	23	56	
Total Provincial Heads ..	1,43,10	1,45,58	1,57,30	1,71,19	1,83,86	1,79,50	1,0,374	76,36	

* Separate figures for "Reserved" and "Transferred" are not available.

The total amount of 127 has been divided proportionately according to the total expenditure under "Reserved" (10,243) and "Transferred" (75,81) under other heads.

ANNEXURE E.
EXPENDITURE.
Actuals.

(In thousands of Rupees.)

Heads.	Actuals.					Budget Esti- mate 1931-32.	Remarks.
	1926-27	1927-28	1928-29	1929-30	1930-31 (not final).		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<i>Central Heads.</i>							
1.—Customs	13	14	14	14	15	15	
2.—Taxes	62	71	70	73	76	79	
6.—Excise	4,07	5,00	4,67	4,67	4,68	4,68	
19.—Interest on ordinary debt—							
Gross Interest Payments ..	1,30	1,44	1,55	1,67	1,69	1,62	
Deduct Interest transfer- red to Irrigation ..	-0,71	-0,72	-9,86	-9,94	-10,16	-10,21	
Deduct Interest transfer- ferred to Forests ..	..	- 7	-17	- 19	-22	-24	
Net	8,32	-8,35	-8,48	-8,46	-8,69	-8,83	Represent compensa- tions paid to the Punjab and United Provinces Govern- ments for the loss of stillhead duty and to the Mehtar of Chitral and charges of the Charas Warehouse at Chitral.
20.—Interest on other ob- ligations .. ..	..	..	..	57	65	71	
28.—Ecclesiastical	89	88	88	81	87	86	
29.—Political	22,71	22,65	23,87	24,38	27,77	27,16	
29.—A.—Frontier Watch and Ward—							
Pay and other charges of Scouts, Militia and Frontier Constabulary	97,66	94,06	93,84	95,11	1,00,29	95,85	
Buildings and Commu- nications	19,19	31,57	40,16	50,13	44,52	38,01	
37.—Census .. ..	..	..	..	..	27	35	
38.—Currency	3	3	4	3	4	5	
44.—Territorial and Political Pensions	51	48	45	53	48	46	
Total Central Heads ..	1,37,49	1,48,07	1,56,27	1,68,64	1,71,79	1,60,24	
Total Provincial and Cent- ral Heads	2,80,59	2,93,65	3,13,57	3,39,83	3,55,65	3,39,74	

PART V.—SUBVENTION AND NEW SCHEMES.

91. **Maxim of constitutional politics.**—Before examining the proposals under this head, I will quote the remarks of that high authority, Sir Siwaswamy Aiyar, K.C.S.I., C.I.E., formerly Advocate General and Executive Councillor :—

“ If there is one fundamental maxim of constitutional politics more valid than any other, it is that any province which claims autonomy must be able to support itself financially. Dependence on doles or depredations is incompatible with a claim to independence. If the Central Exchequer is to meet the growing deficit in the administration of the Frontier Province it is unquestionably entitled to have a voice in the administration. The principle that one person or authority should find all the money required for the expenditure of the former is calculated to promote extravagance and waste and destroy all incentives to economy”.

92. **No subvention without control : the scheme proposed.**—Keeping in mind this maxim of almost universal application, I have put forward in rough outline the scheme of classification of subjects into central and provincial, which will secure financial assistance to the province, but will do away with the necessity of the grant of an annual subvention, over which the Centre will have absolutely no control as to how and where it is spent. The heads of expenditure to be taken over are mostly of All-India importance, in which the central Government has a peculiar interest. Some of these are specifically mentioned in the report of the Round Table Conference Sub-Committee No. V as subjects which should be excluded from the purview of the provincial legislature. The Police, Jails, Civil Works, and the overhead charges of the several departments consume in this province large sums in proportion to its size and revenues, which are beyond its resources. The growing expenditure on them will moreover be embarrassing to its finances. All the heads of revenue will be at the disposal of the provincial administration. The classification proposed thus follows *broadly* the lines in the other provinces, not exactly “in view in particular of the close relation of the province”, as pointed out by the Sub-Committee “with matters of defence and foreign policy”. Look at the police; the Majority report says: “There is, however, one case in which we have had to consider whether practical necessities demand any restriction on the unfettered right of the provincial Government to dispose of its revenue. It will be necessary to include in the calculation of the subvention a particularly large sum on account of police expenditure. This will be included not only in the interests of the province, but in the interests of the Centre, which is closely concerned to see that the conditions of tranquillity are maintained in this frontier territory. The intentions of the Centre would be frustrated if the provincial Government decided to reduce appreciably the expenditure on police and devoted savings to education or some other activity in which the provincial Government was more interested.” What are the safeguards against such contingency? The Majority fall back on the powers of the Governor, as if he were an autocrat.

93. **Bray Committee and equilibrium.**—I have referred briefly in Part IV to the proposals for subvention in the Majority report; they require somewhat further examination. The Bray Committee, which went into the question of financial adjustment, said: “All such charges (of trans-frontier areas) must clearly be removed from the purview of the Legislative Council and treated as agency expenditure under section 45-A (1) (c) of the Government of India Act, subject to the control of the Government of India. If the expenditure is thus distributed and retrenchments now in contemplation are put into effect, then according to rough calculations we have made the present deficit on the internal administration would drop from about 56 lakhs to about 20 lakhs a year, with some prospect of ultimate extinction. But once equilibrium has been established in the provincial budget, the legislative council should have the same power over it as a legislative council in a major province.” Their hopes that the deficit of 56 lakhs would be reduced to 20 lakhs “with some prospect of ultimate extinction” have not been realized; it has since risen to over one crore of rupees. But they wanted an equilibrium in the provincial budget before the “legislative council could

have the same powers over it" as others. They hardly contemplated that with a large deficit of over 104 lakhs of rupees a year it would be invested with full powers of control.

94. Factors for high expenditure : subvention not charity.—It is true that this miniature province was called into existence in 1901 for reasons of Imperial policy, but no voice was raised at the time against the separation of the five districts from the Punjab. It was on the contrary welcomed by the Nawabs and other leaders. Moreover when an offer for re-amalgamation was made in 1922, the prevailing opinion was in favour of retaining " its separate existence". The people knew that this small unit could not have the resources for carrying on the civil administration efficiently if it depended on its own revenues ; they had been receiving large sums from the central revenues and so they had no anxiety on that score. The high incidence of violent crime and the danger of raids from across the border are no new factors. The expenditure on general administration and police are no doubt high. These are the main reasons which render it impossible to expect the five districts to be financially self-supporting, but they afford no good ground for the theory that " the subvention from the Centre on a large scale " should be given away in charity or that the central Government should have no control or supervision over the expenditure of the vast sums paid annually as a contribution.

95. Standard of expenditure on beneficent departments.—The claim was put forward by a Muslim deputation which waited upon the Chief Commissioner last year that the " expenditure on the beneficent and nation-building departments had fallen behind the standard of the Punjab, and that in those respects the province had suffered by separation." I have discussed this point at some length in Part II " standard of administration " and proved by comparative statistics that this assertion is based on a misconception of the real facts. It is due to the propaganda engineered by some misguided people. These tactics have had the baneful effect of giving a bad name to the British administrators and have been one of the causes of sharpening the desire for a change. It may be that the Centre has not been able to keep down the expenditure which has shown an abnormal growth, but to expect that a popular council will be able to economize or curtail expenses is opposed to the experience of the other provinces, where reforms have been in operation for a decade.

96. The Gate-keeper theory.—Many of the witnesses, who appeared before the Committee, were eager not only that the subvention for the civil administration of the districts should be continued, but that it should be at the absolute disposal of the future provincial administration to spend, and re-appropriate on whatever objects they pleased. To the question what right this province had on central revenues for the subvention, they asserted, parrot like, that they were the gate-keepers of India. One witness put forward the similitude of a watchman who was guarding his master's house ; it was the latter's duty to find food and clothes for him. It was pointed out to them (1) that the passes of India lie beyond the boundaries of the five districts, (2) that there are considerable bodies of militia, scouts, frontier constabulary, Khassadars, etc., to keep quiet in the trans-border tracts, and (3) that large military forces stationed in the cantonments in reality guard

the country (themselves included) from foreign attack. How could one regard the civil population of the districts, for whose benefit the subvention was demanded, as the gate-keepers? Most of them could make no reply; some said that they furnish recruits for the various forces; but when told that the persons enlisted received pay, allowances and pensions and that other parts of India also furnished recruits, they had to keep quiet.

97. **New schemes.**—Hindu religious books teach that, like fire which runs ablaze the more it is fed with oil, desires for enjoyment sharpen the more they are satisfied. Not content with the huge amounts of subsidy, which the province has been drawing from the central revenues, the heads of departments have formulated grand schemes of expenditure for the next five years. The idea has perhaps gone round that they have in the Committee a good opportunity of obtaining support for their ideal plans. I shall summarize them :

Schemes submitted to Government of India.

Year.	Beneficent Departments.		Other Departments.		Total.		Schemes not yet submitted.	
	Recurring.	Non-recurring.	Recurring.	Non-recurring	Recurring.	Non-recurring.	Recurring.	Non-recurring.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1932-33 ..	8,22,000	23,46,000	7,10,000	5,33,000	15,52,000	28,79,000	1,51,000	1,28,000
1933-34 ..	13,63,000	23,80,000	7,10,000	..	20,73,000	23,80,000	1,51,000	1,00,000
1934-35 ..	18,40,000	16,35,000	7,10,000	..	25,50,000	16,35,000	1,51,000	1,00,000
1935-36 ..	21,93,000	2,61,000	7,10,000	..	29,03,000	2,61,000	1,51,000	1,00,000
1936-37 ..	22,47,000	1,03,000	7,10,000	..	29,57,000	1,03,000	1,51,000	1,00,000
GrandTotal	84,85,000	67,25,000	35,50,000	5,33,000	1,20,35,000	72,58,000	17,55,000	5,28,000

Of the several schemes entered in the lists in paragraphs 46 and 47 of the Majority report, the Committee considered as the most important two, i.e., (1) for permanent and temporary increase to the police at a cost of Rs. 5,55,000 a year, and (2) the formation of a separate Mardan district at a yearly cost of Rs. 1,40,000 recurring and of Rs. 4,33,000 non-recurring in the first year. Looking to the present financial stringency the schemes cannot be considered as urgent. I agree, however, with the views of the Majority that the Committee is not in a position to pronounce for or against any of them. It is therefore for the Government of India, after expert examination, to say which of them should be accepted. The schemes if sanctioned will involve an expenditure of Rs. 77,86,000 in non-recurring expenses during the next five years, and of Rs. 1,37,90,000 in recurring during the same period or a grand total of 2,15,76,000. Is it probable that such a large sum will be forthcoming when the central finances are at present so low and retrenchment is the order of the day! It would, in my opinion, have been better if the Committee had left them out of account in their recommendations.

98. **The burden : all-India taxation**—As noted in Part IV, the deficit as subvention will greatly increase. Such a handling of the figures may be very satisfactory from the point of view of the provincial finance ; but what of the central exchequer which has every year to find the money ? The central revenues are raised in the whole of India by taxation, nearly four-fifths of which are levied directly or indirectly from the Hindus ; the amount is to be expended, however, in a province where they have no voice in the administration and where they are in a minority of 6 or 7 per cent. what benefit does that community receive ? This question must occur to some members or delegates when it is proposed that the subvention should be guaranteed by statute so that the central Legislature may have no power to interfere.

99. **Novel schemes.**—Some of the new schemes are novel : (1) the establishment at Haripur of a tubercular sanatorium and garden colony, found nowhere else in India, at an initial cost of 3 lakhs with Rs. 32,000 recurring, (2) creation of an epidemic staff, and (3) opening of anti-rabic treatment centre at Peshawar, and so on. There is a proposal to raise the pay of Tehsildars to the Punjab level, when everywhere else salaries are being reduced.

99. **Additional sources of revenue.**—While the majority report devotes so much space to the consideration of new schemes and goes out of its way in making calculation of the increase in the amount of subvention, which will be necessary, if these are accepted by the Government of India, no account is taken in the estimated sum of the additional sources of income which can be tapped. (1) The normal growth of about two lakhs of rupees a year can be easily met by the imposition of a tax on motor lorries, and vehicles at the rates levied in the Punjab. (2) There is no reason moreover why the water rates on the various crops in this province should not be brought to the level of those levied in the Punjab. If this is done the provincial exchequer will be benefited by another Rs. 3,29,000 (estimated by the Chief Engineer, Irrigation) a year. (3) Then something will, it is hoped, be done to utilize fully the waters going to waste of the Upper Swat Canal which is working at a loss, because one-third of the area it commands lies unbroken owing to the paucity of cultivators, to the pooriness of the soil and to the inability of the landholders to invest money in improvement of agriculture or to their indifference. (4) There is again the training of the Gumal and other hill torrents in the Dera Ismail Khan district where vast tracts of fertile Daman land are lying waste for want of irrigation. A Superintending Engineer and two divisions, which have been newly sanctioned for the minor canals are at work, and it is likely that if capital is forthcoming, the province may expect a windfall of, say, 4 or 5 lakhs a year in its fluctuating land revenue alone.

100. **Reductions in expenditure.**—The new schemes occupied so much of the Committee's attention that no attempt was made to find out ways for economising the out-grown scale of expense, and thus to reduce the amount of the subvention from central revenues. No evidence having been recorded in the belief perhaps that a retrenchment committee will go into this question it is not possible to gauge the extent of economies which can be effected. The cut of 10 per cent. on certain heads of expenditure ordered by the Government of India, Finance Department, must bring some saving. This factor has, however, not been taken into consideration in estimating the financial assistance

which will be required in the future for carrying on the administration. Take one example : When the Central Jail at Haripur constructed at an enormous cost of 22½ lakhs unprecedented in India is occupied, considerable saving ought to be practicable through the abolition of one of the other two central jails at Peshawar and Dera Ismail Khan. Surely the five districts of which the population is less than half of that of certain divisions in the Punjab and of some districts in Bengal does not require three central jails. Again why not revise the salaries and allowances of officials, whose pay was raised subsequent to 1914-15 when prices ruled high. There need be no hardship. The reduction in the cost of living for Indians and the lower receipts from land revenue and other heads ought to be accompanied by a reduction in the cost of establishment.

101. Reductions and economies: Multan Municipal Committee.—Where there is a will there is a way. Let me give a recent example of reduction and economies from the proceedings of the Multan Municipal Committee, as reported in the *Tribune* of June 16, 1931, from which the following excerpt is taken :— “ The first and the foremost task before the new committee, which came into office only a month ago, was the balancing of its budget. A strong Sub-Committee consisting of 3 Hindus and 3 Muhammadans was formed. The Sub-Committee daily sat for three hours for about a week, and thoroughly examined every item of the budget. The budget as proposed by the Secretary’s office showed a deficit of about Rs. 1,70,000. It was also found on inquiry that there were a number of outstanding bills amounting to about Rs. 30,000 for expenditure incurred last year which had not yet been paid. Thus on the whole a deficit of about Rs. 2,00,000 had to be met. The labours of the Special Sub-Committee and the Finance Sub-Committee were crowned with success.

Economies made.

Some of the important measures that have been adopted are as follows :—

(1) The old high salaried grades have been reduced to a reasonable limit as follows :—

Secretary Rs. 250—10—400 in place of Rs. 300—25—500 ; Health Officer, Rs. 250—10—500, in place of Rs. 450—30—750 ; Engineer Rs. 200—10—400 in place of Rs. 400—25—750 ; Terminal Tax Superintendent Rs. 120—5—200 in place of Rs. 180—10—250 ; Accountant Rs. 75—4—120 in place of Rs. 110—5—150 ; and so on.

(2) Some of the unnecessary posts have been abolished ; others have been combined and those employees who had been given unusual and unreasonable lifts in the last year due to favouritism, have been reverted to their original positions.

(3) The employees getting up to Rs. 50, per mensem, will have to undergo a cut of 5 per cent. and those above that and below 100 a cut of 10 per cent. and those above Rs. 100 a cut of 15 per cent. in their salaries. The sweepers and Mashkis have been excluded from the list. The allowances have been almost reduced to half.

(4) Several items of unnecessary expenditure have been totally disallowed and others reduced consistent with economy and efficiency. The budget, as now worked, shows a surplus of about Rs. 38,000 excluding Rs. 20,000 reserve, ”

PART VI.—SUPPLEMENTARY.

102. **Hindus in the majority report.**—As a member of the Subjects Committee I have tried my best to keep the Minute of Dissent within the terms of reference laid down by the Government of India resolution. There was no occasion to go out of the way and make mention of communal matters. But there are certain remarks in the majority report which must not go unchallenged. Speaking of the Hindus it says: "The second interest to which we refer is that of the Hindus. Their percentage of the population is only 5·90. But their wealth and education give them an importance beyond what their numbers suggest." This is too vague. Let me quote some figures based on the 1921 Census from the Bray Committee report :

First with reference to literacy.

	Males.	Literates.	Literate in English.
Pathans	4,80,172	11,142	1,447
Saiads	47,671	2,259	379
Other Muslims	5,94,536	18,925	2,153
Total Muslims	11,22,379	32,326	3,979
Hindus	1,14,122	36,718	5,078
Sikhs	23,161	10,860	963

Over 20 years of age.

	Total	Literate.	Literate in English.
Muslims	5,71,824	22,584	2,598
Hindus	78,387	29,014	3,981
Sikhs	16,317	8,856	788

As regards wealth, the amount of income-tax paid in towns and cities which had got Municipal Committees was as follows :—

	Income-Tax paid by Muslims.	Income-Tax paid by Hindus.
	Rs.	Rs.
Peshawar	28,520	94,487
Hazara	5,969	70,980
Kohat	9,998	37,322
Bannu	2,644	36,464
D. I. Khan	10,682	1,19,315
Total	57,813	3,57,568

Thus the "tiny minority" of Hindus paid more than 6 times the amount of the income-tax paid by the Muslims, or 86 per cent. of the total amount collected from the towns and cities in the five districts.

103. **Their two sections.**—To proceed. "One section of the community find it difficult to reconcile themselves to the idea of an effective provincial Government dominated, as it must be, by a large majority of Muslims". Do the Hindus, who have opposed the constitutional changes as detrimental to good

government, owing to peculiar conditions geographical, financial and political, obtaining in this province form only one section and that not an important and influential one, because further on it is said : “ There is another important and influential section, representing, we believe, a growing proportion of the community, which recognizes what the nature of the new constitution must be and is prepared to accept it.”

104. **Rai Bahadur Karam Chand and Rai Sahib Ruchi Ram.**—I do not know what was the data on which these allegations are based. Was any evidence recorded on this point except the statement of R. B. Karam Chand who admitted that the views in his memorandum were “ personal and individual ”, but said he believed “ they were shared by a large section of educated Hindus ”. He went on to say that he had changed his attitude towards reforms as “ a matter of expediency ”. Rai Sahib Ruchi Ram appeared as President of the Hindu Sabha ; he put forward their views.

105. **Which section important and influential.**—Leaving aside the evidence, what are the facts for political activities, *e.g.*,

1. In the early part of 1926 there were public meetings of—

- (a) the Hindus at Peshawar (under the presidency of Rai Bahadur Karam Chand),
- (b) of Hindus and Sikhs at Kohat,
- (c) of Hindu Sabha at Nowshera,
- (d) of Hindus of Dera Ismail Khan, and
- (e) of the Hindus and Sikhs at Tank ; they passed resolutions against the introduction of the so-called reforms.

(2) The Punjab Hindu Sabha on 5th February 1926 passed a resolution that it was inexpedient and unwise and dangerous to the peace of India to introduce responsible self-government in the North-West Frontier Province.

(3) In the Provincial Hindu Conference of the North-West Frontier Province held on 27th March 1928 at Peshawar, where 52 delegates of the districts were present, similar resolutions were unanimously passed. Of those who attended the Conference—

- (1) twelve were Municipal Commissioners ;
- (2) four Presidents of Hindu Sabhas ;
- (3) five Presidents of the Singh Sabhas ;
- (4) nine Vice-Presidents ;
- (5) five Secretaries of the Hindu Sabhas ;
- (6) five Secretaries of the Arya Samajes and Sanatan Sabhas ; and
- (7) ten graduates.

(4) Next day a deputation led by Rai Bahadur Karam Chand waited upon the members of the Royal Statutory Commission and presented them a copy of the resolutions passed on the previous day.

(5) Again when the Commission visited Peshawar in November 1928 a representative deputation of Hindus from the five districts presented their case in a lengthy memorandum signed by 21 leading Hindus.

(6) On 12th May 1930 the Honorary Secretary of the North-West Frontier Province Hindu Sabha protested to the Viceroy in regard to the recommendations of the Simon Commission

(7) On 31st May 1930 the Hindu Sabha sent a telegram to the Viceroy protesting against the perverse reasoning of the Punjab Muslim League that the unrest on the frontier was due to disregard by Government of political aspirations of the people.

(8) Another protest was sent on 1st July 1930 by the Hindu Sabha to the same effect laying special stress for adequate representation of the Hindu community of the North-West Frontier Province at the Round Table Conference.

(9) A similar representation was submitted to the additional Chief Commissioner.

(10) A printed memorandum of 71 pages was sent up by L. Das Ram Bagi, B.A., Secretary of the Bhratri Sabha ; and

(11) Cables were despatched by the Hindu Sabha to the Prime Minister and others when the Round Table Conference was in sessions.

106. **Political activities.**—All these political activities on behalf of the Hindus were the work of the "one section." Did the members of the "important and influential section, a growing proportion of the community" hold a single public meeting of the Hindus in support of the Reforms? Did they submit any representation to Government or send up a deputation before any of the Committees or Commissions? There are, no doubt, some Hindu youths who enrolled themselves as members of the Indian National Congress, but I would like to know the name of a single "important and influential" man among them.

107. **The safeguards : Hindu Conference resolution.**—It is not correct to assert that any Hindus are prepared to accept the new constitution "provided that they receive full safeguards *similar* to those that will be enjoyed by minorities in other provinces". There was a largely attended Hindu Conference held at Lahore on 9th and 10th May 1931. It was attended by delegates from the Punjab, North-West Frontier Province, and Sind. The resolution about this province passed thereat unanimously runs as follows :—

"In view of the fact that (a) factious spirit and violent crime are rampant in the North-West Frontier Province ; and (b) that the provincial revenues do not meet the expenses of its internal administration, and (c) in view of the peculiar conditions, political, geographical and economical, obtaining there, this Conference is of firm opinion that the proposed constitutional changes in that province will not be conducive to good government and peaceful progress ; unless they are accompanied by the following safeguards :—

(1) Strengthening of defences in the Khyber and Tirah on the lines adopted so successfully in Waziristan.

(2) Law and Order to remain a central subject and the province not to be a charge on the central revenues, except so far as the expenditure on central subjects is concerned.

(3) Judiciary to be placed under a chartered High Court which should be treated as a central subject.

(4) Appointments in the provincial services as also of tahsildars and police sub-inspectors to be made by open competition by the Public Service Commission, and all appointments in the subordinate service to be made solely in consideration of merit.

(5) Right of appeal to the central Legislature against the oppressive acts of the provincial council."

Similar safeguards and a 30 per cent. representation in the legislative council and in the services was demanded by other gentlemen who sent statements to the Committee.

108. **Minority and their apprehensions.**—The position of the Hindus on the Frontier specially at Peshawar has considerably worsened. The whole administration is practically run by the dominant community. In the Judicial and Political departments the Hindus are nowhere. Though far more advanced they have almost been excluded from the Education Department. British officers surrounded by Muslim officials and gentry have lost touch with them. The Bar which elsewhere has independent members are cowed down here; they and the wealthy people who have cases or anticipate litigation cannot afford to displease Muslim officers who preside in courts. Very few Hindus can freely express their opinions if these are opposed to the views of the Muslim leaders; by experience they have found that it is risky to do so. As it is, the Hindus are looked down upon by certain Muslims as belonging to an inferior community. They rightly apprehend that they will further lose in honour and respect if self-rule comes in. Hence they are very anxious that greater safeguards than in other provinces be provided in the constitution to protect their life, prosperity and honour. In this they appear to be justified.

THAKUR DATTA.

The 23rd June 1931.

APPENDICES TO THE REPORT.

APPENDIX I.

No. F.12/IV/31-R,

GOVERNMENT OF INDIA,
REFORMS OFFICE,

Simla, the 2nd May 1931.

Resolution.

Sub-Committee No. V of the Indian Round Table Conference, which dealt with the problem of the North-West Frontier Province, recommended that the five administered districts should cease to be a centrally administered territory under the direct control of the Government of India, and that they should be given the status of a Governor's Province, subject to such adjustment of detail as local circumstances require and the extent of the All-India interests in the province necessitate.

2. In pursuance of this recommendation they proposed that, as in other Governors' provinces, there should be a classification of provincial subjects entrusted to the charge of the provincial Government, and suggested that the precise discrimination of subjects between the Centre and the North-West Frontier Province would require careful investigation, if necessary by a specially constituted Committee, following broadly the lines of the classification in other provinces. The ideas of the Sub-Committee as to this classification are explained in the following words in paragraph 5 of their report :—

“ Subject to the findings of such a Committee the Sub-Committee contemplates that the charge of the ordinary civil police in the five administered districts excluding the frontier constabulary will pass to the provincial government of these districts, but in view in particular of the close relation of the province with matters of defence and foreign policy the Sub-Committee considers it essential that all matters of All-India importance and all matters connected with the control of the tribal tracts, for instance, the frontier constabulary, frontier remissions and allowances, and strategic roads should be excluded from the purview of the provincial Government and classed as central subjects. The broad point is that in making the dividing line between central and provincial subjects, regard would be had to the need for classifying as central certain subjects of All-India importance peculiar to the present administration of the North-West Frontier Province, which could not properly be entrusted to the provincial legislature ”.

3. In paragraph 8 of their report the Sub-Committee expressed their views on the financial settlement as follows :—

“ The Sub-Committee is satisfied from figures placed before it that on subjects which may be expected to be classed as provincial the province will show a large financial deficit. It follows that the provincial government will require financial assistance from central (or federal) revenues. The Committee suggests that there should be preliminary expert investigation into the allocation of expenditure between central and provincial heads to supply the basis from which the financial subvention from central (or federal) revenues may be calculated. The Sub-Committee apprehends that if the subvention be open to debate annually in the central (or federal) legislature, the substance of provincial autonomy in the North-West Frontier Province may be impaired. It suggests that the difficulty might be met by an agreed convention that each financial assignment should run undisturbed for a period of years ”.

4. The Governor-General in Council, with the approval of the Secretary of State, has decided that the enquiry into the classification of subjects and into the consequent financial

settlement should be entrusted to a Committee, which he has been pleased to constitute as follows :—

Chairman.

1. Mr. H. G. Haig, C.S.I., C.I.E., I.C.S.

Members.

2. Nawab Sir Sahibzada Abdul Qaiyum Khan, K.C.I.E., M.L.A.
3. Mr. C. Latimer, C.S.I., C.I.E., I.C.S.
4. Khan Bahadur Nawab Hamidullah Khan of Toru.
5. M. R. Ry. Dewan Bahadur A. Ramaswami Mudaliar, M.L.A.
6. Rai Bahadur Lala Thakur Datta.
7. Mr. Mohammad Yunus Khan.
8. Mian Ahmad Shah.
9. Mr. E. T. Coates, I.C.S.

Rai Bahadur Lehna Singh will act as Secretary to the Committee. The Committee's headquarters will be at Peshawar.

5. The terms of reference to the Committee are as follows :—

“ With reference to the report of Sub-Committee No. V of the Round Table Conference to make recommendations as to the classification of subjects in the North-West Frontier Province as provincial or central ; and, on the basis of the classification proposed, to examine the allocation of expenditure between central and provincial heads, and to report the extent to which it would be necessary to supplement the provincial revenues in order to meet the charges under the provincial heads.”

ORDER : Ordered that a copy of the above resolution be published in the *Gazette of India* and communicated to the Chief Commissioner, North-West Frontier Province, for information. Also that a copy be forwarded to the Secretary to the Committee for information. Further that a copy be forwarded to the Foreign and Political Department, the Home Department and the Finance Department for information.

W. H. LEWIS,

Joint Secretary to the Government of India.

APPENDIX II.

NORTH-WEST FRONTIER PROVINCE SUBJECTS COMMITTEE'S OFFICE, PESHAWAR.

Dated 5th May 1931.

The North-West Frontier Province Subjects Committee which has been set up by the Government of India in connection with the working out of the new constitution proposed by the Round Table Conference for the five settled districts of the North-West Frontier Province has been given two tasks. The first is to make proposals as to the subjects which will be administered by the new Provincial Government or in other words to suggest a classification of subjects as either Provincial or Central. The second is to consider what financial assistance the provincial Government will require from the Centre in order to fulfil its responsibilities for the administration of the Provincial subjects.

It is evident that the Committee's enquiry must involve detailed examination of facts and figures with the assistance of the local Administration and its officers. But the Committee hope also to receive assistance from the public on the more general questions that are involved in their enquiry, some of which are indicated below :—

- (1) What are your general views as to the sphere of administration to be entrusted to the new provincial Government ?
- (2) Are there any matters of All-India importance peculiar to the present administration of the North-West Frontier Province which should be classed as central ?
- (3) What should be the future financial relations between the Centre and the North-West Frontier Province ?
- (4) Should the financial subvention from the Centre be for an unlimited or for a limited period ? If for a limited period, what should that period be and what authority should be empowered to revise the amount of the subvention ?
- (5) On what principles should the subvention be calculated ?

The Committee will be glad to receive written statements from associations or individuals dealing with these or similar points or any matters of detail relevant to the enquiry, of which any one may have special knowledge. The Committee will, whenever necessary invite those who have forwarded written statements to supplement them by oral evidence.

The Committee expects to commence sittings for the hearing of evidence in Peshawar on 11th May. It will move to Abbottabad about 20th May. As the Committee hope to complete their report approximately in a month it would be a great convenience if gentlemen intending to place their views before the Committee would do so as early as possible. Evidence will be heard in public. Admission, so far as accommodation permits, will be by ticket, for which application should be made to the Secretary.

LEHNA SINGH (R. B.), M.B.E.,

Secretary.

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APPENDIX III.

To

THE PRESIDENT,

NORTH-WEST FRONTIER PROVINCE SUBJECTS COMMITTEE,

PESHAWAR.

SIR,

I beg to resign from the North-West Frontier Subjects Committee for the following reasons :—

- (1) Letter No. 676-7/SS., dated Peshawar the 27th April 1931, sent to me by the local Government inviting me to work on the Committee, led me to believe that the only task before the Committee, as mentioned in the said letter, was to "consider the classification of Central and Provincial Expenditure and the financial settlement arising out of the proposed constitutional changes in the Province". Beyond this I had no knowledge as to whether there were any other terms of reference until on the day—5th May—when we were going to meet for the first time. I came to learn about other terms of reference in the "Tribune", just a little while before the first sitting. The terms ran as follows :—With reference to the Report of Sub-Committee No. V of the Round Table Conference to make recommendations (a) as to the classification of subjects in the North-West Frontier Province as Provincial or Central and (b) on the basis of the classification proposed to examine the allocation of expenditure between the Central and Provincial heads and to report the extent to which it would be necessary to supplement the Provincial revenues in order to meet the charges under Provincial Heads". I fail, therefore, to understand why, when the invitation was first issued, I was not made acquainted with the real nature of the Committee, so that I might have been able rightly to decide whether I could possibly contribute, by my serving on the Committee, to the legitimate demand of the North-West Frontier Province for an equal status with other Provinces, in a future constitution.
- (2) It is obvious enough that the Joint Committee of Sub-Committees Nos. 1 and 11 of the Round Table Conference was appointed to consider in detail the present list of Central and Provincial subjects and to make recommendations for the future classification of subjects both Central and Provincial. The proposed classification will be found in the proceedings of the Indian Round Table Conference, on pages 211—222. Now, if it is really contemplated that the North-West Frontier Province shall enjoy in future an equal status with the rest of India, I am surprised to see why there should at all be appointed any other Committee to go beyond the proposed classification of the Joint Committee and make further classification of subjects in the North-West Frontier Province. It is, therefore, very easy to see that any further classification would seriously affect this Province and consequently reduce it to a far lower position than the rest of India. In such circumstances it would be idle, at least for me, to bring myself to believe that the recommendations of the present Subjects Committee would be other than those for which the Sub-Committee No. V itself has provided a basis, for instance, the Sub-Committee No. V, while suggesting that precise discrimination of subjects between the Centre and the North-West Frontier Province will, if necessary, be made by a specially constituted Committee such as the present one, contemplates that "subject to the findings of such a Committee the charge of the ordinary civil police in the five administered districts excluding the frontier constabulary will pass to the provincial Government of these districts and in view in particular of the close relation of the Province with matters of Defence and Foreign Policy the Sub-Committee considers it essential that all matters of All-India importance and all matters connected with the control of the tribal tracts, for instance the frontier constabulary, frontier remissions and allowances and strategic roads should be excluded from the purview of the provincial Government and classed as central Sub-

jects " to be administered by the Governor (now Chief Commissioner) with which the Provincial Council will have no concern. I think it is quite easy to infer from the restrictions intended to be imposed on the proposed constitution of the North-West Frontier Province what the future of this unfortunate province is going to be.

- (3) The draft scheme of issues discussed on 8th May abundantly proved to me that even in respect of subjects to be entrusted to the proposed Provincial Legislature of the North-West Frontier Province, no effort, as the trend of our discussion showed the other day, is being made to raise this province to the standard of reform obtaining at present in British India, nothing to say of that constitutional advance which other provinces will enjoy in future.
- (4) I am at a loss to understand how those people could possibly be included in the personnel of the Subjects Committee, who have out-and-out remained antagonistic to any measure of reform to be introduced in the Frontier Province.

In view of the above reasons, I cannot conscientiously associate myself with the proceedings of the Subjects Committee, in that it will be against the avowed demand of the people of the North-West Frontier Province for an equality of status with the rest of India a demand which stands unanimously supported by the Indian National Congress, Jamiatul Ulama, All-India National Muslims' Conference, All-India Muslims' Conference, All India Nawjawan Bharat Sabha and similar other big institutions. I, therefore, under protest, withdraw my name from the Subjects Committee.

I beg to remain,

SIR,

Yours faithfully,

MIAN AHMAD SHAH,

Dated Peshawar, the 11th May 1931.

Bar-at-Law.

DEAR MIAN SAHIB,

It was a matter of great regret to me when I received yesterday morning your letter resigning your membership of the North-West Frontier Subjects Committee. I felt that the difficulties expressed in that letter might be resolved by personal discussion, and you were good enough to come and see me yesterday afternoon at my invitation, and we explored the whole position in a full and friendly manner. After further careful consideration, however, you informed me that you felt a matter of principle was involved and that you could not vary your decision. I do not wish in this letter to go over again all the ground that we covered yesterday. I would like only to repeat two points which I endeavoured to make plain at the opening meeting of the Committee and which I stressed again in our conversation yesterday. The first is that the general scheme of the constitution proposed for the North-West Frontier Province has not been referred to us, and that the proper occasion to raise any question of modification of these proposals will be at the resumed meeting of the Round Table Conference. Those who are dissatisfied with these proposals will not in any way compromise their position by taking part in our enquiry. The second is that in the matter of classification of subjects which you apprehend has been prejudged, I stated that the Sub-Committee of the Round Table Conference had expressed no final views, though it had no doubt given certain indications of general principles. On the matters referred to us therefore we were free to come to our own conclusions, and you were free to advocate and to endeavour to secure the acceptance of whatever scheme of classification seemed to you to be in the best interests of the province. I wish to add that my colleagues and I much regret that we shall be deprived of your assistance in an enquiry which we regard as likely to be of great importance for the political future of the North-West Frontier Province.

Yours sincerely,

H. G. HAIG.

No. 145,

Dated 12th May 1931.

APPENDIX IV.

APPEN

Statement showing the actuals for the years 1927-28 to 1930-31 and
(vide paragraph 33

RECE

Heads.	Actuals.				Budget Estimate, 1931-32.
	1927-28.	1928-29.	1929-30.	1930-31.	
PROVINCIAL HEADS.					
V—Land Revenue	21,83	18,84	21,07	17,21	21,01
VI—Excise	15,23	11,59	10,72	6,12	9,95
VII—Stamps	11,29	11,52	10,91	9,06	9,89
VIII—Forests	7,57	8,29	8,64	7,11	10,00
IX—Registration	77	78	76	64	69
XIII—Irrigation—					
Gross Receipts (Direct and Indirect).	17,54	15,71	19,97	14,78	21,71
Deduct Working Expenses ..	9,38	7,55	10,53	11,35	8,64
Net Receipts	8,16	8,16	9,43	3,43	13,07.
XVI—Interest	1,23	92	78	92	93
XVII—Administration of Justice	2,54	2,17	1,92	1,69	1,65
XVIII—Jails and Convict Settlements.	1,23	1,19	1,36	1,23	1,39
XIX—Police	46	55	66	15	68
XXI—Education	50	56	64	60	63
XXII—Medical	2	50	37	87	77
XXIII—Public Health	3	2	2	5	5
XXIV—Agriculture	14	30	32	35	35
XXVI—Miscellaneous Departments.	1	3	2	68	2
XXX—Civil Works	74	63	45	58	55
XXXIII—Receipts in aid of Superannuation.	34	24	28	28	28
XXIV—Stationery and Printing	15	26	62	52	29
XXXV—Miscellaneous	2,66	3,83	4,29	3,23	3,08
Total Provincial Heads ..	74,90	70,38	73,26	54,72	75,28

DIX IV.

the Budget Estimate for 1931-32, under Central and Provincial whole major heads of the Report.)

IPRS.

(In thousands of Rupees.)

Heads.	Actuals.				Budget Estimate, 1931-32.
	1927-28.	1928-29.	1929-30.	1930-31.	
	CENTRAL HEADS.				
I—Customs	2	2	1	1	2
II—Taxes	9,85	9,73	9,87	8,14	8,89
XXVII—Currency	7	6	7	6	7
XXXIII—Receipts in aid of Superannuation.	12	12	11	5	7
XXV.—Miscellaneous	2,62	2,04	2,08	1,88	2,51*
Total Central Heads	12,68	11,97	12,14	10,14	11,56
Total Provincial and Central Heads.	87,58	82,35	85,40	64,86	86,84

*Represent receipts in Agencies.

Heads.	Actuals.				Budget Estimate, 1931-32.
	1927-28.	1928-29.	1929-30.	1930-31.	
PROVINCIAL HEADS.					
5—Land Revenue	6,23	5,83	4,60	3,74	3,45
6—Excise	99	1,01	1,15	1,34	1,29
7—Stamps	30	26	28	17	21
8—Forests	6,91	7,72	8,04	7,82	8,87
8-A.—Forest Capital Expenditure	2,58	80	36	30	16
9—Registration	13	15	14	14	15
14—Interest on Capital Irrigation Outlay.	9,72	9,86	9,94	10,16	10,21
15—Irrigation Works financed from ordinary revenue.	—17	2,31	3,21	3,01	2,55
15—Navigation Works	2,51	3,87	1,38	1,06	95
16 and 55—Irrigation Capital Expenditure.	1,45	2,05	3,53	50	86
22—General Administration ..	17,23	17,37	18,24	18,45	18,89
Pay and Accounts Office .. ..	..	..	1,02	1,33	1,30
24—Administration of Justice ..	7,42	7,55	7,71	7,85	7,90
25—Jails	7,24	7,55	8,23	8,41	10,08
26—Police	27,42	28,35	29,46	34,84	31,85
30—Scientific Departments	5	5	5	5	5
31—Education	17,73	18,59	19,77	20,55	22,11
32—Medical	4,21	4,21	6,17	5,26	8,27
33—Public Health	85	1,02	1,05	1,13	1,29
34—Agriculture	1,56	1,53	1,93	2,14	2,84
35—Industries .. .. .	..	7	..	..	..
37—Miscellaneous Departments ..	2	2	2	2	3
41—Civil Works	24,64	30,82	38,05	48,85	39,24
43—Famine Relief .. .. .	..	..	..	7	..
45—Superannuation Allowances and Pensions.	4,90	4,59	4,80	4,79	4,89
45-A.—Commutation .. .. .	..	..	..	..	..
46—Stationery and Printing	1,07	1,01	1,23	1,18	1,27
47—Miscellaneous	59	71	80	69	79
Total Provincial Heads	1,45,58	1,57,30	1,71,16	1,83,85	1,79,50

NOTE.—In these statements the central share of provincial heads has generally not been separated. This separation has been effected in detail in the statement appended to the financial statement on pages 73-74.

DIFFER.

(In thousands of Rupees.)

Heads.	Actuals.				Budget Estimate, 1931-32.
	1927-28.	1928-29.	1929-30.	1930-31.	
CENTRAL HEADS.					
1—Customs	14	14	14	10	15
2—Taxes	71	70	73	76	79
6—Excise	5,00	4,67	4,68	4,68	4,68
19—Interest on ordinary debt—					
Gross Interest Payments ..	1,44	1,55	1,67	1,69	1,62
Deduct—Interest transferred to Irrigation.	—9,72	—9,86	—9,94	—10,16	—10,21
Deduct.—Interest transferred to Forests.	—7	—17	—19	—22	—24
Net	—8,35	—8,48	—8,46	—8,71	—8,83
20—Interest on other obligations ..	..	..	57	65	71
28—Ecclesiastical	88	88	81	87	86
29—Political	22,65	23,87	24,38	27,77	27,16
29-A.—Frontier Watch and Ward—					
Pay and other charges of Scouts, Militia and Frontier Constabulary.	94,96	93,84	95,11	1,00,29	95,85
Buildings and Communications	31,75	40,16	50,13	44,52	38,01
37—Census .. .. .	..	..	..	27	35
38—Currency	3	4	3	4	5
44—Territorial and Political Pensions.	48	45	53	48	46
Total Central Heads ..	1,48,07	1,56,27	1,68,65	1,71,77	1,60,24
Total Provincial and Central Heads.	2,93,65	3,13,57	3,39,81	3,55,62	3,39,74

