

# THE OUTLAY ON DEFENCE \*

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THE annual demands of the Ministry of Defence representing between a third and half of the Central Budget, are usually passed by the Lok Sabha without any detailed discussion. It is difficult to say whether this is because of general apathy or of ignorance of the technicalities of defence. The costs of defence, as of all other services provided by the Government, are rising. A compromise has to be reached somewhere and this can be based only on a balanced appreciation of a possible threat to the country's security from land, sea and air. Once this is done the rest can be left to professional executives responsible for defence. It is for the Government to accept the financial commitments that follow. In either case, Parliament must satisfy itself that defence does not go by default.

## UNREALITY

It is very difficult to reconcile the conflicting demands of the three Armed Services for their share of the defence "cake". A great degree of cooperation and understanding is called for from their professional heads to keep budgetary planning on the rails. Unfortunately, the Ministry of Defence, a civilian body is not qualified professionally to assist in this matter. For some obscure reason the Government has not favoured appointing service officers to Secretariat posts, though the Defence and other Ministers have plenty of professional administrators, scientists, engineers and even police officers.

The preparation of individual Service budgets, therefore, tends to proceed in an atmosphere of unreality. Projections are constantly being revised downwards to match dwindling resources. The result is a perpetuation of the status quo. For example, about 75 % of the defence budget goes towards pay, allowances, pensions and rations for the troops; maintenance of buildings; transport, petrol, oil and lubricants; major works; acquisition of land, plant and machinery; and research and development. These may be called fixed charges. Of the rest 10 % is available for new equipment, weapons and so on, the balance being spent on clothing, tentage, medicines, training, ammunition and so on.

The pace of development of weapons technology and the increasing sophistication of military equipment make heavy demands. To be left behind in the race is to invite loss of morale among the troops. To forge ahead in the race requires an annual escalation in defence outlay, always an unpalatable decision for politicians to take. It would be sufficient if they displayed the political courage to sanction the funds required to keep abreast.

The experience of 1962 has taught us the elementary lesson that a price

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has to be paid for security. Economic development is compatible with defence, but only at a rate determined after ensuring the former. A myth has been created that expenditure on defence is a crushing burden on economic growth. This might be true in an ideal State, where human beings are civilized enough to live in peace with one another. Until this utopia arrives we have no choice but to pay our premium on security insurance. In a country where insurance has been nationalized, members of Parliament representing the policy holder have the right to ask that the security corporation is well managed, that premiums are kept as low as possible and that full cover is at hand at all times.

If the bulk of the defence budget is spent on fixed charges which are inelastic, where are the additional resources for modernization to come from? The need for economy is not denied but its scope is limited. Part of the additional resources must, therefore, come from increased outlay. The present expenditure on defence averages between 3% and 4% of the Gross National Product. Other countries are able to spend 6% or more, consistent with economic growth. If considerations of security so demand, proportionate increases in the outlay on defence must be provided and defence must be considered an integral part of the Five Year Plans.

There are possibilities of raising resources by increased productivity within the defence organization. Large sums are spent every year in procuring rations. Has Parliament considered the possibility of the defence services being entrusted with meeting this responsibility?

#### VENTURES

There is scope for setting up, on a commercial basis, sheep, fish and poultry farms managed by servicemen. This would mean a reduced dependence on contractors. Moreover, these farms would solve, to some extent, the problem of resettling servicemen. Similarly, the services could be entrusted with agricultural farms. There is also scope for enlarging the existing military dairy farms to meet in full the requirements of the Army.

The capital investment in such undertakings would be justified, whether or not the strength of the forces is run down at some future date. The defence services are well-known for their high level of organization and discipline. If nothing else, these ventures would serve as a model to others in the field, whether public or private, and thus fulfil a national purpose. And since they would be run on commercial lines, the State could always take them over to meet other public needs, once they have fulfilled the requirements of defence.

A more extensive use of the Border Roads Organization is another way to increase productivity. It was set up in the early 1960s to improve communications in the more inaccessible border areas. Since it has proved its worth beyond measure, could not its engineering talent be diversified and put to wider use? Reports often speak of delays and errors in civil constructions such as bridges, fly-overs, buildings, canals and so on. If the Govern-

ment is serious about completing such works on schedule, it could surely make use of the Border Roads Organization. To begin with there may be a marginal difference in costs, but this would be more than offset by the high standard of construction. Later, its tenders for public works will become competitive.

The use of surplus capacity in defence equipment factories to produce goods for civilian use also needs to be investigated more closely. They include readymade garments, leather, canvas and rubber goods, household hardware, kitchen utensils, motor vehicles, optical instruments and hand tools.

A major overhaul of the administrative machinery is also overdue. The Armed Forces have the largest stake in the defence organization; yet the services headquarters are regarded as "attached" offices of the Government. The primacy of civilian control is understood and accepted; its application, however, is clumsy and unintelligent. The bureaucracy has succeeded in devising procedures which are designed not to work. Civil servants ignorant of the ramifications of defence ask interminable questions and raise objections, and since financial control vests in the Ministry of Finance, dialogues degenerate into rambling discussions. The result is delay, diffusion of responsibility, and a near total absence of follow-up.

Suggestions for reorganization have been put forward from time to time such as for Army, Navy and Air Force Councils and the appointment of a Chief of Defence Staff. They have not been approved. The devolution of financial control to the service headquarters and their integration with the Ministry of Defence will remove many present irritants. Economy can be practised only by those who have control over financial resources. After the defence budget is voted by Parliament, if each service, with integrated financial advisers, is given the freedom to administer its share, there would be a greater sense of involvement which would help to prevent non-essential expenditure. Both budgeting and expenditure would acquire greater realism and economies would be achieved.

## PRODUCTION

The process would not be complete without closer supervision of defence production. The services must guarantee uninterrupted production. Third party control will not bring the same degree of involvement. Nor will it help to lay down priorities and to decide how scarce resources are to be allocated.

If defence has been a closed subject too long, it is time that some doors and windows are opened. There is no national military service in this country. Otherwise, the country's legislators might have had a better knowledge of the complex issues of defence. This must be remedied. The Armed Forces traditionally are not involved in politics few of their members take to politics after retirement. This is not to say that the country's legislators should not have the benefit of their experience. There is provision for nomination. It is time that this privilege is extended to cover the defence services.