Our Delhi Letter

Cuts All Around—Defence Ministry Sitting Pretty

Thursday

THE ONE Ministry which is expected to run the gauntlet of economy cuts and come out practically unscathed is Defence. Sardar Baldev Singh appears to have received from the Finance people what virtually amounts to a carte *blanche.* He has been asked to "volunteer" such reductions as he considers possible in defence expenditure unrelated to Kashmir. But the Defence Ministry has already worked itself up to the conviction that, in view of our relations with Pakistan, the country needs all her armed forces and more. Wags quip that, in the opinion of Sardar Baldev Singh, the Navy, too, is necessary for the defence of Kashmir!

Some time ago, it was suggested that expenditure on Defence should be drastically cut and limited to Rs. 90 crores on the Army and Rs. 20 crores each on the Navy and the Air Force. This proposal has now gone by the board.

The buying schedule of the Navy and the Air Force for the current year has been practically completed. The purchase of three destroyers has enabled India to form a "D" flotilla and that of the cruiser, "Delhi", has given the Indian Navy its flagship. No more naval craft are likely to be bought in the near future.

The Defence Ministry is expected to achieve the target of ten complete squadrons of the Air Force, buying a 100 new "Tempest" trainer aircraft and a few more jet-planes. In fact the last consignment of Tempiests is reported to be already on the high seas.

The only economy in the huge defence budget will be in the sphere of "capital works". The Defence Ministry has agreed to a cut of Rs. 3 crores in their works programme. This will affect the schedule for the establishment of training centres for the Navy and the Air Force. Undivided India's best naval and air schools were in Karachi. Since partition, the construction of similar schools in India has been a dire need.

A token cut is also expected in the "civil" expenditure of the Defence Ministry set-up.

But a major slash in the Defence expenditure could only be effected by the reduction of man power or the equipment standards of the land forces. The Defence Ministry appears to be determined to fight tooth and nail against any such suggestion. Indications are that they will largely win the day.

Meanwhile, Sardar Patel appears to have ordered a cut of Rs. 49 crores in the budgeted expenditure for the current year. The capital budget is sought to be slashed by Rs. 42 crores and the revenue budget by Rs. 7 crores. Next year (1950-51), the capital budget will be cut by Rs. 81 crores.

In face of these cuts, particularly in capital expenditure, a new schedule of priorities needs *to* be drawn up. Some of the country's major hydro-electric projects face the dismal prospects of being shelved for good or of being spread out over a longer period of years than scheduled. In either case, waste seems to be inevitable. If work on the schemes is stopped abruptly, then whatever has been spent on them, already will be completely wasted. On the other hand, the delay in the implementation of the projects would load up their overall cost. This ticklish problem, therefore, needs closest expert attention.

After a series of infructuous proposals about salary cuts, the position appears to have stabilised round a totally different object; the savings drive, Savings will be made compulsory and universal, all sections of the population—and not merely the public services—will be roped in. The usual channels of collecting the "savings" would be utilised. For salaried people the "savings" would be collected a source. Others will be asked to pay their share together with the income-tax. The idea is to impose savings on a graded basis. According to present suggestions, everybody in the monthly income bracket of Rs. 250—Rs 1,000 will have to pay five per cent of his income towards the Savings Scheme. Persons with an income of Rs. 1,000 or above will have to contribute 10 per cent. The "savings" will carry no interest.

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