

**S o m e F a c t s a n d  
F i g u r e s a b o u t I n d i a n  
D e f e n c e .**

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**1935-36.**

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## INTRODUCTION.

There is probably no branch of the Government's expenditure in India against which the politically minded taxpayer is more ready to prefer a charge of extravagance than what is popularly known as the Army Budget. A closer acquaintance with the details of that expenditure generally compels the admission that the funds provided for a particular object are well and carefully spent. But it is only the few who gain an insight into the details; the majority regard—and, perhaps, even prefer to regard—the Army Budget as a closed book; and the general impression is thus retained that the total bill is so large that some of the items in it must be capable of reduction. Above all, there is the feeling, which has been expressed in the most authoritative quarters, that, however well the money may be spent, it is more than India can afford. A large reduction of expenditure is therefore held to be essential and—the wish being the father of the thought—the next step is to argue that India, with her natural mountain barriers and with no covetous naval power in the offing, is comparatively safe from attack and that, therefore, her defence expenditure is not only more than she can afford, but more than she requires.

2. Many stock arguments are used, and used almost threadbare, to support these views. The Army in India, it is said, is maintained for Imperial purposes, and the British soldier costs five times as much as the Indian. (This is not true: the pay and allowances of the British private come to about three times as much as those of the Indian sepoy, but a British battalion, although its strength is greater, costs only a little over  $2\frac{1}{2}$  times as much as an Indian battalion.) A wealth of varying statistics is quoted—and they cannot all be correct—to prove that the ratio of military to civil expenditure is higher in India than in any country in the world. Further, one is told that the expenditure is non-productive; that its magnitude involves the starvation of the 'nation-building' services; and that much of it finds its way out of the country and therefore represents a perpetual drain on the national resources. Finally, it is urged that prices have dropped to pre-war levels and so there is no reason why there should not be a return to the pre-war military budget of about Rs. 29 crores, as against the present budget of something under Rs. 45 crores.

3. These, perhaps, are the criticisms most frequently heard. On the other hand, there are probably many, and it may even be some among the critics themselves, who in their heart of hearts would be sorry to see any reduction in the strength of the armed forces in India, who reflect that the peace which India has enjoyed for so long and which has led to a great increase in her prosperity has been due largely to the Army; that without the security which the armed forces have given her even such expansion of 'nation-building' services as has been achieved would have been impossible; that the "building" process which is leading to India's evolution as a nation owes more to the Army than to any other section of the population; and that, generally, the insurance, though high, has not been excessive.

Apart from the fact that it is for the insurer and not for the insured to fix the premium, the rate of insurance is obviously not a matter on which opinions should be expressed without some knowledge of the facts.

4. In the articles that follow an attempt will accordingly be made to put the case for the Army as fairly as possible; to answer some of the main criticisms in the light of hard facts; and to give information on various aspects of the problem, which may provide food for thought both to the supporters and the critics of the Army.

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## I. THE SCOPE OF THE DEFENCE BUDGET.

When comparisons are made between the level of military expenditure in India and in other countries, it is often overlooked that the Army Budget, or, as it is now more properly called, the Defence Budget, covers the cost of India's defence, not only by land, but also by sea and air. The official view still regards the present budget of Rs. 44·91 crores as an emergency budget, which reflects the present economic depression and cannot be maintained indefinitely, if, as everyone hopes, a recovery takes place involving a rise in prices. Taking the present figure, however, as it stands, it will be of interest to analyse it and see how much the taxpayer really has to pay for the current defence of his country.

2. Fifty-seven and a half lakhs of rupees are provided in the current year's budget for the Royal Indian Navy; but this sum includes Rs. 9 lakhs for non-effective charges and covers the contribution of £100,000 (or about Rs. 13 lakhs) which India makes towards the protection afforded by His Majesty's Navy. £100,000 is about one five hundredth part of the total cost of that Navy. Can any critic contend that the burden of India's naval expenditure is excessive or contemplate with equanimity the withdrawal of the protection that she now enjoys at so trifling a cost?

3. Then there is the Air Force, the present effective and non-effective cost of which comes to Rs. 1·94 crores. There is a school of thought which considers that this expenditure might be greatly increased and that a more than equivalent reduction could then be made in the cost of the Army. This is not the context in which to enter into the merits of this controversy. For the present purpose it will be sufficient to postulate that an expenditure of anything under two crores on the air arm cannot be called excessive. Two crores would be about one twelfth of the corresponding budget figure in England last year (£17½ millions) and there are other nations that spend considerably more on their air arm. The combined cost of these two items—sea and air defence—comes to Rs. 2·52 crores. Taking the total net revenues of India to be in the neighbourhood of Rs. 175 crores, the proportion works out to under 1½ per cent.

4. Deducting Rs. 2·52 crores from our figure of Rs. 44·91 crores we are left with well under Rs. 43 crores for the Army; but this does not complete the picture. Of this Rs. 43 crores nearly Rs. 8 crores represent the cost of pensions, including Great War Pensions, and other non-effective charges—an item which is incapable of reduction without a breach of faith which would be universally condemned—and this leaves Rs. 35 crores for what may be called current effective military expenditure. Even from this figure certain deductions can justly be made, if it is desired to ascertain the true cost of the Army. Substantial sums, for instance, amounting to nearly a crore of rupees return direct to the exchequer in the form of customs duty (Rs. 10 lakhs), income-tax (Rs. 70 lakhs) and other taxes (Rs. 15 lakhs). Further there are the following items, which,

though payments for goods supplied or for services rendered, appear as receipts under other heads of the Government of India's budget:—

	Rs.
Railway Transport charges . . . . .	1·00 crores.
Posts and Telegraphs . . . . .	· 15
Printing and Stationery . . . . .	· 13
Total . . . . .	1·28 crores.

In addition there is the cost of the Territorial Force (Rs. 22 lakhs) and the cost of certain schools (Rs. 11 lakhs), including the Prince of Wales's College at Dehra Dun, which, however valuable they may be from the political point of view, contribute little or nothing towards the actual defence of India.

If all these charges are deducted, it comes to this—that the present real cost of the Army does not much exceed Rs. 32 crores. Even if another Rs. 2 crores were added to cover the cost of a return to more normal conditions, including a rise in prices, the figure would be Rs. 34 crores, or about 19 per cent. of the net revenues of the country. The full Rs. 45 crores are about 26 per cent. of those revenues. The present cost of the Army in England is about Rs. 53 crores, but this figure excludes the cost of War Pensions, which are included in the Indian budget and which in England account for the enormous sum of about £45 millions a year.

5. There are, however, those who contend—not presumably from any desire to raise the cost of defence, but possibly in order to enlarge the target of their attack—that there are at present items outside the Defence Budget which should really find a place inside it. It may be suggested that some of the expenditure on the Ecclesiastical Department might be more legitimately debitable to the Defence Budget on the ground that it supplies the Army with chaplains. The cost on this account might be about Rs. 20 lakhs.

Then there is the cost of the various irregular forces on the Frontier, which is now debited to the budget of the Foreign and Political Department, and the cost of what are known as 'strategic railways'. The former item may be put at rather under Rs. 1½ crores and the latter at about Rs. 2 crores.

6. It cannot, of course, be denied that some of the irregular forces maintained for the Watch and Ward of the Frontier are semi-military formations. On the other hand, the organisation as a whole, like the organisation of any local Government, provides nothing more nor less than the machinery which the political authorities consider necessary for the civil administration of the tribal area; and the transfer of its cost to the Defence Budget would involve a similar transference of control from the civil to the military authorities and a radical alteration in the present policy of Frontier administration. Whether changes of this kind would be either wise or popular it is not the object of this article to discuss. Suffice it to say that it would certainly be neither legitimate nor desirable to switch the whole of the Rs. 1½ crores mentioned above over to the Defence Budget as a mere accounting change, and that the only real justification

for any departure from the present system would be if it could be demonstrated that the alteration would lead to an actual reduction of expenditure without loss of efficiency.

7. The loss on the so-called strategic railways amounts to about Rs. 2 crores. Here again further reflection must show how irrational it would be to debit this sum to the Defence Estimates.

In the first place there are many thousands of miles of railway in India which serve a strategic as well as a public purpose. In fact the main lines from the great ports of India to the north are of infinitely greater importance to the Army than some of the trans-Indus lines on which a loss is incurred. Why should the category of 'strategic' lines be confined to the latter alone?

In the second place, if the cost of these particular lines were to be charged to the Defence Estimates, there can be no doubt that the services required for purely military purposes would be far less than those now provided for the public. Trains would be run perhaps once a week where they are now run every day and working expenses would be reduced to a minimum.

Finally, it cannot be too strongly emphasised that in no other country in the world is the cost of railways (except of course for purely military sidings and so on) debited to the Defence Estimates; and it is universally recognised that the provision of the communications required for the defence of a country is a normal function of the State.

The truth is that the cost of the defence of a country can never be measured exactly by the size of its defence estimates, and there is no reason, why, in India alone, an attempt should be made to do so.

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## II. THE FUNCTIONS OF THE DEFENCE FORCES.

In the previous article an attempt was made to show that the actual current cost of the defence of India was not so high as might be supposed from a casual perusal of the total figures in the Defence Estimates. It is now necessary to give some account of the tasks that the armed forces are called upon to perform in order to preserve the peace and security of the country. We may then go on to examine the strength, structure and organisation of these forces; and so, eventually, be in a better position to judge, firstly, whether the forces in themselves are excessive and, secondly, whether their cost is capable of reduction.

2. To deal first of all with the sea, it is, of course, a fact that the duties of an Indian naval force in peace are neither spectacular nor even, perhaps, of great immediate practical value to the State. Assistance from the sea was, it is true, employed with great effect at a critical moment in the Mappilla Rebellion of 1921; but occasions for naval intervention of this kind are mercifully rare; and the main function of the Royal Indian Navy, as indeed of any naval force in the world, during peace time, is to be ready for war. On the other hand the enormous coast line of India would be peculiarly vulnerable in war, if any naval power were to succeed in establishing a base in Indian waters; and the exploits of the Emden in 1914 are sufficient to show what tremendous moral, not to mention material, damage can be inflicted even by isolated raiders. Many thousands of people fled from Madras within a few days of the Emden's visit.

The task of India's naval forces in peace is to prepare and guard against these dangers as far as possible, by training personnel for sea warfare and by organising and perfecting the defence of India's coasts and harbours and the protection of trade in Indian waters in time of war. In addition the Royal Indian Navy undertakes much useful marine survey work and also performs certain transport duties in peace.

It is only necessary to add that the Royal Indian Navy is at present equipped for these duties, though it could certainly not carry out all of them unaided and that the change of designation from 'Royal Indian Marine' to 'Royal Indian Navy', which took place last year, has entailed no alteration in the functions of the force or its ability to discharge them. Nor has the change involved any increase in its strength or cost. It is merely a change of status which has added greatly to the prestige of the force and, it is hoped, provided a much needed stimulus towards Indian interest in naval matters.

3. Turning now to the Army, which, for the purposes of this article, may be taken also to include the Air Force, one cannot do better, in searching for a clear definition of its functions, than go back to the series of well-known resolutions which were passed by the Legislative Assembly in 1921.

The Legislative Assembly at that time, while repudiating what they took to be the Imperialistic ideas underlying the Report of the Esher Committee, recommended that the purpose of the Army in India must be held to be "the defence of India against external aggression and the maintenance of internal peace and tranquillity". That definition holds



which the armed forces are divided for the purpose of carrying out the duties assigned to them. These are—

- (1) Internal Security troops;
- (2) Covering troops; and
- (3) The Field Army.

The classification itself is designed primarily for war conditions. Indeed, every single unit of the Army has a specific function assigned to it in war. Taking the total fighting strength of the Army as 179,000 and the total strength of the Air Force as 2,100, the numbers assigned to Internal Security duties and Lines of Communication in war are roughly 70,000, the Covering Troops account for about 42,000 and the strength of the Field Army is about 69,000. In peace, the Field Army is also available for Internal Security duties, but the minimum requirements for that purpose must be calculated on the assumed absence of the Field Army from its peace stations.

4. The duties of Internal Security troops are well known and need little description. They are probably the most unpopular that fall to the lot of the soldier, but they are necessary in every country in the world and in India, perhaps, more than most. Religious and communal differences unfortunately cannot be ignored, any more than the existence of the Terrorist movement; and there are sections of the population whose liability to sudden, and sometimes fanatical, outbursts is only too well-known. In addition, there are treaties with Indian States, which involve an obligation that cannot be disregarded to maintain troops in certain areas; and, indeed, in the last resort, the armed forces must be responsible for the preservation of peace and tranquillity in all parts of India, including the States.

Above all, the guarding of the lines of communication within India itself, from the great seaports to the most probable theatres of war, presents a problem which is probably without parallel in any other part of the world. In what other country is it necessary for the State to guarantee the protection of some four to five thousand miles of internal railway lines? And yet, will any critic contend that the risks of sabotage and tampering with railway communications by ill-disposed persons is so remote, in the event either of internal disturbances or of war on the frontier, as to make it unnecessary to employ a large number of troops for this purpose alone?

5. There are those who hold that, under a new dispensation, and with the growth of nationalism and the spread of education, the dangers of internal disorder will greatly diminish. One can only hope devoutly that this may be the case. We must, however, take matters as they stand today. Ask any District Magistrate, British or Indian, ask any Home Member of a local Government, whether he would contemplate with equanimity the withdrawal of troops from the area for whose peace he is responsible. The answer will be the same and it will be an answer that would also be given by the great majority of merchants and land-holders in India.

It is only necessary to give a few facts and figures. The Mappilla rebellion of 1921 involved the employment of 6,000 troops. It took four months and 11,000 troops to suppress the recent Burma rebellion.

Over 47,000 troops were used in the operations of 1930-31 against the Red Shirts and Khajuri Plain Afridis. The Terrorist movement in Bengal has made it necessary to transfer two brigades to that part of India and it is hard to say how long they will have to stay there. In addition, troops stood by or were engaged in the prevention or suppression of internal disorders on 118 occasions in 1930-31, 103 occasions in 1931-32, 39 occasions in 1932-33, and 25 occasions in 1933-34. What would happen if disturbances of this kind were to break out simultaneously in different parts of India, or if such troubles were to arise at a time when the Field Army was engaged on the Frontier? The former contingency may be unlikely, but it is not impossible. The latter is certainly less unlikely at the moment than it was in 1914. It may be urged that the means of communication and rapid transport have improved so greatly in recent years that some reduction should be possible in the forces allotted for Internal Security. That argument, however, cuts both ways. If it is easier today to move troops quickly from one place to another, it is also easier for those who desire to foment trouble to widen the scope of their operations by the same means. News spreads quickly; it is no longer possible for a disturbance to arise and be suppressed without everyone knowing about it; and the danger that the trouble may spread is one that must always be faced. Bearing in mind that every unit in the Army is allotted specific duties to perform both in peace and war, it is no exaggeration to say that, when emergencies arise and troops have to be moved from one place to another, prolonged and anxious study of the map is necessary before deciding where they are to come from. It would, indeed, be an amazing contention that 70,000 men represent an excessive force to interpose between government and anarchy, scattered as they are throughout a country of such enormous distances and with so vast and varied a population as India.

6. We may now turn to the Covering Troops, whose duties both in peace and war may be summed up in the expression "the control of the frontier tribes". Between what is known as the administrative border and the true frontier of North West India—the Durand Line—there lies a belt of tribal territory, roughly one thousand miles in length and inhabited by a population who, from time immemorial have pursued "the good old rule, the simple plan, that those should take who have the power, and those should keep who can". Every grown man is a potential warrior: their combined fighting strength may be put at nearly half a million; and they possess between them at least 250,000 rifles, most of which are modern weapons of precision. The man behind the gun is probably as good a marksman as is to be found in any part of the world; and the character of the country is such as to lend itself admirably to the guerilla warfare in which its inhabitants excel. The arid and rocky nature of the soil precludes the possibility of earning a livelihood from the pursuits of peace; and for centuries these men have looked upon their more wealthy, but less virile, neighbours in the plains of India as their legitimate prey. The picture of an impregnable mountain barrier with one or two well-marked passes that can easily be defended by a handful of men is, unfortunately, entirely untrue. There are at least seven well-known routes, following, as a rule, the course of the larger river valleys, by which the plains of India are accessible to large bodies of men from across the administrative border; and there are innumerable mountain tracks which, though impassable by organised military formations, are open to small and swiftly-moving bands of raiders.

7. Against a menace of this character and extent is constantly opposed a force of about 42,000 regular troops. In addition there are the irregular formations—the various bodies of lightly-equipped and mobile Scouts and Levies—to whom a reference has already been made. The strength of these latter forces may be put at about 15,000 men; but, valuable as their work undoubtedly is, their training and organisation impose obvious limitations on their utility; and it is on the regular armed forces that the ultimate responsibility for the peace of the Frontier must lie. That the menace is not an unreal one is proved by the fact that in the last 70 years there have been no less than 26 major campaigns on the Frontier, not to mention innumerable raids and small punitive expeditions.

It is interesting to note in this context that the average cost of operations on the Frontier under the close-border policy from 1895 to 1919 was in the neighbourhood of Rs. 50 lakhs a year. The 3rd Afghan war and the occupation of Waziristan from 1919 to 1924 cost nearly Rs. 11 crores a year. Since 1924, under the present policy of civilization and the quartering of troops in tribal areas, combined with the existence of the air arm, the expenditure on operations up to April 1934 had fallen to Rs. 12½ lakhs a year.

8. Finally, there is the Field Army—the small mobile force of about 69,000 fighting men which stands between India and the danger of external aggression. Complete freedom of expression is difficult where foreign relations are concerned; and it would obviously be impossible to describe with any precision the duties allotted to this small force in time of war. There are, however, one or two points on which the critic ought to be clear and with regard to which doubts and misconceptions should be removed.

9. In the first place, the possibility that, in certain circumstances, the Field Army may be called upon to play an aggressive part is in no way inconsistent with the principle that the Army in India is maintained for defensive, and not for offensive, purposes. The last thing that the Government of India or His Majesty's Government wish to do is to provoke hostilities against any nation in the world. It is a truism, however, that offence is often the best defence; and the position of India would, indeed, be precarious, if she were to deny herself the right to take offensive action of any kind against an aggressor, to whatever extent such action might have to be limited.

10. In the second place, it is a plain fact that the focus of world unrest has shifted eastwards, and ever further eastwards, since the Great War and that the Army in India at present occupies the front line of resistance to any threat to the Empire as a whole. Beyond the North-West Frontier of India lies the quarter from which, throughout the ages, as noted by the Simon Commission, the danger to India's territorial integrity has come. The political aims of Russia in the Continent of Asia have never been made a secret and it is an indisputable fact, proved by recent experience, that to the other natural problems of the Frontier has now been added the danger of Communist propaganda. The menace of Czarist Imperialism may have disappeared, but its place has been taken by a more insidious and, perhaps, an even graver peril.

11. Finally, it must not be supposed for a moment that India's Field Army is maintained at a strength sufficient, or anything like sufficient, to withstand and repel aggression from a Great Power. A threat of the kind

referred to, if it ever materialises, will be a threat against the British Empire as a whole; and the rôle of India's Field Army will be to hold the fort and to take such offensive-defensive action as may be possible pending the arrival of reinforcements from England. India's partnership in the Empire entitles her to full support in a major danger of this kind, quite apart from the fact that, owing to her geographical position and the state of world politics, her territories may happen to have to bear the brunt of the attack. An even more important consideration is whether India would be exposed to the same dangers if she were not part of the Empire. There are those, no doubt, who profess to believe that India, as an independent and peace-loving nation, concerned only with her own internal development and maintaining no army to speak of, would not be subjected to the covetous gaze of any outside power, European or Asiatic. It is, of course, always possible that the millenium may arrive, but history does not support a belief of this kind.

12. These then, very briefly, are the sort of considerations that the Government of India have to bear in mind in deciding the price to charge for their insurance policy. It would be easy to paint a more lurid picture. The dangers resulting from the civil disobedience campaign and from communal disturbances might be stressed. The difficulties of the Frontier problem might be developed into an essay by itself. A special feature might be made of the entirely new danger of anti-Government propaganda spread among the frontier tribes by the internal opponents of the Government. One could point to the fact that, even now, Peshawar and Rawal-Pindi are within bombing range of the river Oxus. There is no need, however, to rattle the sabre, and rouse unnecessary fears. The case is strong enough as it stands, if only the critic would not shut his eyes to obvious dangers and would consent, before condemning military expenditure in India, to form some clear conception in his own mind of the risks involved and of the manner in which, and the extent to which he himself would guard against them, if the responsibility for the safety of the country were to rest, as it may one day, upon his own shoulders.

There is no point in proclaiming that this nation or that is not in any way animated by warlike motives, when the hard fact is that it has doubled its army or trebled its military expenditure, and it is even more futile to argue that it is wrong for India to spend so many millions on defence because Canada or Australia, for instance, spend only a fraction of that amount. The problems with which India is faced are without parallel in any other part of the Empire; and the argument is on a par with the assertion that it should be unnecessary to wear warm clothes in the Arctic Circle because people on the Equator are able to do without them.

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### III.—THE STRUCTURE AND STRENGTH OF THE DEFENCE FORCES IN INDIA.

Having now obtained some idea of the tasks to be performed, the next step is to examine the structure and strength of the forces placed at the disposal of H. E. the Commander-in-Chief to enable him to perform them. These forces are—

- (1) The Army in India, consisting partly of the Indian Army and, partly, of units of all arms of the British Army serving in India.
  - (2) The Royal Air Force in India—a purely British Service—to which recently has been added the beginnings of a purely Indian Air Force.
  - (3) The Royal Indian Navy, which is a purely Indian Service.
- All defence forces are divided into two main classes—

- (a) Fighting Services, and
- (b) Administrative and Ancillary Services, which supply the needs of the Fighting Services and enable them to fight.

In the present article we are concerned mainly with the Fighting Services. The Administrative and Ancillary Services will form the subject of a subsequent article, but it may be mentioned here that, with a few exceptions, they are all Indian Army organisations, serving the needs of the British and Indian Army fighting units alike, and also to a considerable extent those of the Royal Air Force and the Royal Indian Navy.

2. Until quite recently the fighting units of the Indian Army were confined, speaking generally, to the Infantry and Cavalry arms. This has now been altered. The Indian Army of the future will comprise all arms, including Engineers and Artillery, but the opportunity may here be taken to correct a prevalent misconception. The new policy does not, and cannot, involve the "Indianisation" of particular units of the British Army. It is as impossible to "Indianise" a Battery of Royal Field Artillery—which is a unit of the British Army—as it would be to "Indianise" a battalion of the King's Own Scottish Borderers or the York and Lancaster Regiment. An entirely new Regiment of Indian Artillery has had to be formed, which will gradually replace certain Batteries of Royal Artillery, but will not form part of that Regiment. So also with other branches and arms of the Service, including Administrative Services such as the Royal Army Veterinary Corps.

It need only be added that the Auxiliary and Territorial Forces and the Indian States Forces do not form part of the regular Army in India, although the cost of the former forces is met from the Defence Estimates, and certain supplies of equipment are made free to selected units of the Indian States Forces.

3. To start with the naval forces as usual, the position is that before the war, the Royal Indian Marine, the predecessor of the Royal Indian Navy, maintained a fleet of 12 vessels, of which five were employed as station and lighting ships or for other purposes at Aden, on the Burma coast, in the Persian Gulf and the Andaman Islands; two were used for marine survey and five were transports or used for transport work.

None of these ships was armed, nor were the personnel trained in combatant duties. The total cost was about Rs. 67 lakhs. Some of the ships and many of the officers and men took an active part in the war; but they did so as individuals and not as a combined Indian Force.

The reorganisation that took place after the war contemplated a combatant force consisting of one depot ship, four sloops, two patrol vessels and four small trawlers, besides the two survey ships. The cost was estimated at Rs. 63 lakhs, and at that time it was hoped that it would be possible to lease the R. I. M. Dockyard in Bombay. The Dockyard has been retained and the Royal Indian Navy at present consists of one depot ship, five sloops, one patrol vessel and one survey ship. The second survey ship and the four trawlers have been scrapped owing to retrenchment; and the total cost for 1935-36 stands at Rs. 57½ lakhs. There is no likelihood of there being any material change in the present policy as a result of the recent conversion of the force into a Navy. On the other hand, there has been a great increase in efficiency. One new sloop, "Hindustan", had to be built in 1927 to make up the numbers required on reorganisation; and another, "Indus", has just been completed to replace one of the old patrol craft, which is no longer serviceable. These two new sloops are of the most modern type and cost about Rs. 22 lakhs each. Both they and the older vessels are armed with 2 (or in one case 3) 4-inch guns and 4 three-pounder guns. The sloops themselves are small vessels of about 1,300 tons with a speed of about 15 knots, while the patrol craft is under 700 tons with a speed of about 20 knots. It will be many years, probably, before India can afford to possess a single cruiser or light cruiser. A 7,000 ton cruiser costs over Rs. 2 crores to build. The two newest battleships in the Royal Navy cost about Rs. 10 crores each. When these gigantic figures are considered and when, further, it is remembered that a single battleship like 'Nelson' costs about as much to maintain per year as the whole R. I. N. and carries a complement which exceeds the total strength of the Indian force, it will be realised that India's naval development is still very much in its infancy. H. M.'s Indian ships, however, possess the honour of flying the White Ensign, like the Royal Navy and the Dominion Navies; and the whole force—consisting of about 100 officers and 1,200 ratings—is animated with a spirit of the greatest keenness. The personnel, except for the officers, are Indian almost to a man. The officer ranks are being steadily Indianised at the rate of one Indian to every two British officers.

4. Before the war there was no Air Force in India. In the post-war reorganisation, six squadrons of the Royal Air Force were allocated to India and this number was increased in 1928 to eight *plus* one bomber transport flight of two aircraft. A squadron contains twelve machines, so that the total fighting strength (apart from reserves) comes to 98 aeroplanes. The personnel required to 'fight' these machines may be put at about 164 officers and 980 other ranks. Four of the eight squadrons are Army Co-operation squadrons, that is to say, they carry out reconnaissance and photography for the Army and, in particular, discover hostile batteries and targets and direct artillery fire against them. The remaining four squadrons are Bombers, that is to say they are employed to drop bombs on selected objectives. They may also be used for long distance reconnaissance and photography and sometimes, for dropping supplies. The first flight of the first squadron of the Indian Air Force has now been inaugurated, but the Force is still too young to be counted among the effective units at the disposal of the Government of India.

It need only be added that the whole of the eight squadrons of the R. A. F. are allotted to the Field Army; but that does not prevent their use, both in peace and also, possibly, in war, for the control of the tribal area in conjunction with the Covering Troops. ;

5. So far as the Army in India is concerned, the general position can best be appreciated by a glance at the following tabular statement:—

UNITS.	1914.	1931.
Cavalry Regiments . . . . .	48	26
Infantry Battalions . . . . .	171	143 (Active.)
Artillery Batteries (Horse, Field, Light, Mountain, Medium, Heavy and Anti-aircraft) . . . . .	102	78½
Engineer Companies or Troops . . . . .	23	29
Signal Units . . . . .	5	13
Pioneer Battalions . . . . .	12	Nil
Armoured Car and Light Tank Companies . . . . .	Nil	8
<b>TOTAL FIGHTING STRENGTH</b>	<b>2 38,000</b>	<b>1,79,000</b>

*Note.*—The 78½ Artillery Batteries do not include the 4 Batteries of the Indian Regiment of Artillery which are now under formation.

6. A study of the above figures reveals two important facts. In the first place, the proportions between the different arms are not those required by the Divisional organisation used in war, but are adjusted according to the actual necessities of the case. The War Division contains its complement of Field and Light Artillery, Field Companies of Engineers and Companies of Armoured Cars, not to mention Ammunition Columns and Signal Units. It requires, in fact, as many batteries of Artillery as it does battalions of Infantry. But the Artillery and Engineers in the Army in India, speaking generally, are only sufficient to meet the needs of the four Divisions and four Cavalry Brigades of the Field Army and to leave a small surplus over for the Covering Troops, which are not organised on a Divisional basis. Artillery and Engineers are not required to the same extent for the Lines of Communication or for Internal Security. Hence the large preponderance of Cavalry and Infantry units. This fact should be remembered by those who contend that the Army in India is organised and maintained largely for Imperial purposes, *i.e.*, to take the field with a British Army in war. The plain fact is that about half the Army in India would be incapable of taking the field in the war formations required for any campaign of modern dimensions.

7. In the second place, the majority of those who complain that the cost of the Army has been so greatly increased since 1914 may be under the impression—and perhaps not unnaturally—that there must have been a great increase in the strength of the Army since that date. To such persons it may come as an unpleasant shock to realise that the fighting strength of the Army in India is now some 59,000 men less than it was before the war. The reasons for this will be explained in their proper place. It is of course obvious that the decrease in the number of men

must have been partially balanced by the great accession to fighting strength and fire power caused by the addition of the air arm and the appearance of other modern inventions, such as armoured cars, light tanks, and improved automatics. On the other hand, it has often been said that the appearance of India's Army in France in the earliest stages of the war was sufficient, and only just sufficient, to save the Allies from speedy defeat; and, without entering deeply into the question whether it was for their own country or some other that those gallant men gave their lives, it is worth reflecting for a moment what the fate of India would have been if the numbers then available had not been forthcoming. Thoughts of what might have happened in the past may lead on to fears of what may happen in the future if the strength of the Army in India is still further reduced.

8. The published Defence Estimates now contain details of the cost of the various types of fighting units in the Army and Air Force, that is to say the cost of the pay and allowances of the officers and men together with the normal proportionate cost in peace of their upkeep, food, clothing, equipment, housing and transport. Thus the present cost of a British Cavalry Regiment is just over Rs. 15½ lakhs a year, while that of an Indian Cavalry Regiment is rather over Rs. 7 lakhs; a British Infantry Battalion costs about Rs. 16½ lakhs and an Indian Infantry Battalion about Rs. 6½ lakhs; a Battery of Artillery costs anything from Rs. 4½ lakhs for a Field Battery down to about Rs. 2.25 lakhs for a Mountain Battery; a Field Company of Engineers costs Rs. 2½ lakhs; an Armoured Car Company Rs. 7 lakhs; an Army Co-operation Squadron of the R. A. F. Rs. 15 lakhs and a Bombing Squadron Rs. 11½ lakhs.

Taking these figures and those given in para. 4 and in the tabular statement in para. 5, and by working out a series of simple multiplication and addition sums, a somewhat remarkable result is produced. It will probably come as a surprise not only to the layman, but also to the soldier himself, to find that the cost of the fighting portion of the Army in India comes to something under Rs. 22 crores, that is to say less than half the total Defence Budget. If it is asked where the rest of the money goes, the answer is that more than one-third of the remainder is spent on pensions, while the balance of under Rs. 15 crores is devoted to (a) the Administrative Services and (b) various other services, including Manufacturing Establishments, Staffs, the Military Engineer Service, the Auxiliary and Territorial Forces and the Royal Indian Navy. A defence of most of this latter expenditure will follow in the next article. For the moment the important point is this. If it is desired to effect any large reduction in the cost of the Army in India, the brunt of the reduction must inevitably fall upon the fighting units. Supposing that the amount of the reduction aimed at were put at Rs. 15 crores—and even that would not bring the budget down to the pre-war figure—it would be quite impossible to divide the cut equally between the fighting units and the other services referred to above. You may aim at a ratio of approximately 2 to 1 between Fighting troops and Administrative Services—and you will probably not be far wrong—but this again does not mean that, if you are out to make a total reduction of Rs. 15 crores, you can take Rs. 5 crores from the Administrative and other Services referred to above. About Rs. 11 crores would have to be taken from the Fighting Services. In other



words, unless a disproportionate number of British units were disbanded, the numerical fighting strength of the Army in India would have to be about halved; and even if disproportionate reductions were effected in the British Army, the result would work out something as follows:—

UNITS	1934.	In future
Cavalry Regiments . . . . .	26 minus 9 (3 Br. and 6 Ind.)=17	
Infantry Battalions . . . . .	143 minus 61 (30 Br. and 31 Ind.)=82	
Artillery Batteries . . . . .	78½ minus 37	=41½
Engineer Companies . . . . .	29 minus 7	=22
Armoured Car Coys. . . . .	8 minus 6	=2
R. A. F. Squadrons . . . . .	8 minus 4	=4

This would leave the Covering Troops as they are at present, but would involve the reduction of the Field Army by half and would give only four Indian Cavalry Regiments, four British Infantry Battalions and twelve Indian Infantry Battalions to the whole of India for Internal Security and Lines of Communication. Comment, one hopes, is needless.

It will, of course, be retorted that there must be many other ways of reducing the cost of the defence of India without going in for such heroic measures as these. The other ways that the critic has in mind will be reached and discussed in due course—including the substitution of Indian for British troops. For the moment it is sufficient to have given some idea of what fighting troops there are and what they cost.

#### IV.—THE ADMINISTRATIVE AND ANCILLARY SERVICES.

In the last article an attempt was made to give a general idea of the structure and strength of the fighting portion of the armed forces in India and to indicate what an enormous reduction would be involved by a jump back to pre-war figures of cost. The imaginary critic was, perhaps, left with the feeling that the figures quoted to show the effect of a Rs. 15 crore out prejudged the whole issue by assuming that no reduction was possible in the cost of the units themselves. He was only too ready, no doubt, to suggest other expedients by which similar results might be achieved without getting rid of 61 battalions of Infantry and a proportionate number of other units. Before going on to examine these other expedients, it is necessary to be clear about the Administrative and Ancillary Services to which a passing reference was made in the previous article.

2. The bald facts are that, while the cost of the fighting services has increased between 1914 and 1934 by less than 50 per cent. and the cost of Stores by under 20 per cent., the cost of the Administrative and Ancillary Services has more than doubled; and while the strength of the Fighting Services has actually decreased during the same period, the strength of the other Services has risen from about 58,000 officers and men to nearly 70,000. The percentage of other Services to Fighting Services in 1914 was about 19 per cent. In 1934-35 it was about 28 per cent. Moreover, the proportion of officers to men is about 1 to 59 in the Fighting Services, while it is more like 1 to 26 in the Administrative and Ancillary Services; and the pay of these latter Services, generally speaking, is higher than that of the former, although their duties are probably less arduous and certainly less dangerous in war.

3. These facts demand an explanation. In the first place, there are the Administrative Services properly so-called—the Educational Establishments, the Supply and Transport Services, Remounts, Veterinary, the Medical Services, the Military Accounts Department and the Arsenal and Depots included under the head of Ordnance. The cost of all these and certain other minor and miscellaneous Services amounted to under Rs. 3 crores in 1914. In 1931-32 they cost nearly Rs. 7 crores and the cost today is about Rs. 6½ crores.

In the second place, there are the Manufacturing Establishments—the Ordnance and Clothing Factories, the Medical Store Depots, the Grass and Dairy Farms, and the Butcheries and Bakeries of the Indian Army Service Corps. In 1914 these accounted for under Rs. 1½ crores. In 1931-32 their net cost was nearly Rs. 2¼ crores and the present net expenditure on them is about Rs. 1½ crores.

Thirdly, there are the Administrative Staffs, the cost of which has risen from under a crore of rupees before the war to Rs. 2 crores in 1931-32 and only slightly less than that figure in the present budget.

Finally, there are the Military Engineer Services (including Stores), which cost under Rs. 1½ crores in 1914, nearly Rs. 4¼ crores (net) in 1931-32 and over Rs. 3 crores today.

It will be seen that the total cost of these Services rose from under Rs. 7 crores in 1914 to nearly Rs. 15¼ crores in 1931-32 and that in the last three years there has been a reduction of about Rs. 2¼ crores.

4. Now, in making comparisons, it is always necessary to be sure that the standard against which the comparison is made is in itself a reasonable

and satisfactory one. It is certainly wrong to base criticism on a mere assumption that, because a particular standard was considered sufficient at a particular time, it must therefore always be good enough. The first question to be answered, therefore, is whether the pre-war standards in these matters were really good enough. The answer must, without doubt, be an emphatic negative. Before the war the Army in India, though numerically greater than it is today, was largely a paper Army. There was no reliable machinery for expansion and practically no organisation for the provision of munitions and stores. Certain services were non-existent—for example there was practically no Signal Service—while others were so under-staffed that the fighting units had to be depleted in order to bring them up to strength. The combatant units themselves were short of full war establishments and had to be supplemented by personnel drawn from Internal Security formations. The arms were obsolescent, if not obsolete—*every Indian soldier landing in France had to be given a new modern rifle*—and the standard of equipment was so low that the troops were at a grave disadvantage when pitted against up-to-date forces. The Medical arrangements in particular were markedly inferior to those of other Armies. Training was backward and Staffs were inadequate. The men of the Indian Army received a low rate of pay out of which they had to provide their own food, with an allowance from the Government to make up the difference between the normal rate of a fixed ration and the actual market rate. Clothing, with the exception of full dress uniform, was provided under regimental arrangements and the State only paid a quarterly allowance for upkeep. The equipment had frequently to be supplemented from regimental funds. The State did not provide quarters and only paid an allowance for maintenance. Ninety per cent. of the Cavalry regiments were on a *silladar* basis—a system under which the State provided the sowar with a rifle and gave him a lump sum out of which he had to mount himself, feed himself and his horse, house himself, clothe himself and provide his own saddlery and weapons, except the rifle. The Indian Army was, in effect, a contract Army. The State contracted with the Commanding Officers to produce a unit for service when required in return for an annual subsidy; and the efficiency, and even the size, of the unit depended largely on the administrative capacity of the Commanding Officer and his subordinates and on the extent to which regimental funds were available.

5. There is a tendency today to forget all these facts, or, at any rate, to regard them with complacency and comfort oneself with the thought that somehow we "muddled through", Muddle is the right word. The troops themselves were magnificent material. No one can, or would wish to deny it. But the difficulties that ensued when the Army went to war in 1914 can better be imagined than described; and nothing is to be gained by blinking that fact. The small reserves maintained, by reason of age and physical disabilities, proved totally unfit for service; many of them were actually returned from the base without ever joining their units; and units left behind in India had to be broken up to make good the wastage caused by casualties in the field, until new material could be recruited and trained. The absence of organised Administrative Services, the lack of reserve stocks of supplies, clothing and stores and the breakdown of the medical services, not only hampered operations and delayed achievement, but also increased immeasurably the hardships of the troops, helped to swell the toll of human life and added greatly to the total cost of the war.

6. Before the war there was some excuse for these shortcomings. It was not merely a matter of parsimony. Men did not know, and could hardly be expected to guess, exactly what a modern war meant. With the experience of the Great War behind them, no Government could afford to ignore its lessons or fail to do what lay in their power to avert a repetition of its disasters. It was for this reason—and who dare blame them?—that the Government of India came to the deliberate conclusion in 1920 that far greater value would be obtained from a small army, well balanced, and with its due proportion of Ancillary Services, than from a large army, composed only of fighting troops and dependent for its Ancillary Services on improvisation in war. It was for this reason too—and who again will say that they were wrong?—that the Indian Legislative Assembly passed, without division, the famous Resolution in the debates on the report of the Esher Committee in March, 1921, which laid it down—“that to the extent to which it is necessary for India to maintain an Army for these purposes (namely, for the defence of India against external aggression and the maintenance of internal peace and tranquillity); its organisation, equipment and administration should be thoroughly up to date and, with due regard to Indian conditions, in accordance with the present day standards of efficiency in the British Army”.

It is this principle of maintaining a proper balance between Fighting Troops and Administrative and Ancillary Services that has constantly inspired the military authorities since the war. It is a principle that was unfortunately disregarded by the Inchcape Committee, which preferred, or, perhaps, was compelled by circumstances, to wield the axe in an arbitrary rather than an expert fashion; and the result was the special Re-equipment Programme of Rs. 10 crores, which has had to be financed through the machinery of the so-called “Contract” Budget of 1928 and the succeeding years. This, however, is another story that will have to be taken up again later. For the moment it will be sufficient if we have succeeded in establishing the conclusion that radical alterations and improvements were essential in the organisation of the Army after the war and that it is futile to appeal to pre-war standards in this particular branch of the subject.

7. That is one aspect of the matter. There is, however, another and, perhaps, an even more interesting one. Granting that it would be foolish to revert to pre-war standards of administration, would it be possible to do so? Everyone knows the association between the services rendered by Indian troops in the Great War and the Declaration of 1917 which led up to the Montagu-Chelmsford, and thus to the present constitutional reforms. If the Army is to receive its proper share of thanks for the approach to these landmarks in the evolution of India's nationhood, is it fair to deprive them of the material advantages of the progress made and to expect them to go back and accept the conditions under which they were serving at the beginning of the war? It was not only among the troops themselves, but also among public men in India, that the conviction took root and grew during the war that their conditions of service were markedly inferior to those of other Forces and that a general levelling up was needed. The development and growth of the Administrative and Ancillary Services and the great increase in their cost was due, not only to the need for remedying defects from the purely military point of view of “winning the war”, but also to the desirability of adding to the amenities of a soldier's life in peace. It is true, no doubt, that the more contented

an army is, the more efficient it will be; but this does not alter the fact that improvements were overdue and that the claims of the Army were in themselves too strong to be rejected. Any deterioration now in the conditions of service would certainly have a most damaging effect on recruitment.

8. It is not necessary to give more than a few examples to show how this particular aspect of the matter has contributed to the increased cost. Much of the extra expenditure now incurred on the Military Engineer Services may be traced to the acceptance by the State of the liability to provide Indian troops with suitable accommodation and furniture. Before the war, units of the Indian Army were accommodated in mud barracks which they were required to maintain themselves in return for a Government allowance. They are now provided with well-built, airy barracks, which are maintained by the M. E. S., and in addition they are given free fuel and light. The capital value of Indian Troops Lines may be put at about Rs. 10 crores and the annual cost of maintenance at not less than Rs. 12½ lakhs.

9. In the old days, when the Indian soldier had to make arrangements to feed himself, there can be little doubt that he was ill-fed, if not under-fed. Today he is well-fed. The modern ration gives a scientifically constructed diet, both in quantity and quality; and there is a continuous test to ensure that supplies are up to sample. This basic diet is provided quite independently of the soldier's pay; and there is little temptation for him to economise on his food to the detriment of his health and efficiency. Purchases are made in bulk as far as possible by a central purchasing agency; but, quite apart from the actual cost of the supplies themselves, the new system must have added a good many lakhs to the cost of the Services which buy, test and distribute them to the soldier. The Supply Branch of the Indian Army Service Corps cost over Rs. 45 lakhs in 1933-34 as against Rs. 37 lakhs in 1914. In spite of the reduction in the number of fighting men, the assumption of responsibility for feeding Indian troops has nearly trebled the number of men to be rationed; and although mechanisation has led to a substantial decrease in the number of animals, the abolition of the silladar system has prevented any great reduction in the number for the feeding of which the I. A. S. C. is now responsible.

10. Finally, the pre-war arrangements for medical attendance on Indian troops can only be described as rudimentary. There were no Station Hospitals; and such accommodation as was provided was set apart within the barracks of the unit under regimental arrangements. The stock of medical and surgical necessities was scanty; the patient on admission brought his own bedding and clothing and subsisted mainly on his own rations. The staff consisted of a medical officer, a sub-assistant surgeon, some untrained ward orderlies drawn from the regiment and a few followers. There are now 81 military Hospitals for Indian troops and 18 Indian wings of British Hospitals. These are provided with adequate staffs and modern accommodation and equipment; hospital clothing and bedding are supplied and the patient receives such diet as may be ordered for him. Apart from the actual cost of these amenities, which must have involved many lakhs of capital expenditure alone, present day principles attach the maximum importance to the prevention of disease and the promotion of hygiene in the life of the Army. The cost of the Medical Services

was Rs. 151 lakhs in 1933-34—almost double what it was in 1914. If anyone maintains that this figure is excessive he should remember that the Medical Service now-a-days concerns itself with every phase of the soldier's life, and not merely with his illnesses. The climate and hygienic conditions of cantonments, the barracks in which the soldier lives, the clothes he is required to wear, the equipment he has to carry, the ration he is given to eat and the character and degree of the physical training he has to undergo—all these are matters of intimate concern to the doctors; and if the increase in cost has been great, it can be claimed with confidence that in no branch of army administration has there been so marked an improvement since the war.

11. In the amenities described above, British troops have of course taken their share. The post-war British soldier, like the post-war sepoy, expects more than his pre-war prototype—and gets it. He is probably a better soldier and a better citizen in consequence. The point, however, that it is now desired to make is that the lion's share of the improvements made in the Ancillary Services of the Army has been for the benefit of the Indian, rather than of the British, soldier.

12. If the length of this article is to be kept within bounds, only a few words can be said in conclusion in answer to two criticisms of a general nature that were suggested in its second paragraph.

In the first place, it is inherent in the organisation of these Administrative and Ancillary Services and in the nature of the duties allotted to them, that the number of officers should be greater in proportion to the number of men than is the case in the Fighting Services. It is not a question of how many men can be put under the command of an officer of the Administrative Services, but rather of how many officers are required to perform a particular number of jobs and of what assistance is needed from subordinates in the performance of those jobs. It is conceivable, of course, that certain duties which are now allotted to officers—in the Supply Services, for instance, or, possibly, in the Military Engineer Service—might be entrusted to subordinates. An immediate saving would no doubt be secured, but he would be a foolish person who expected that the change would lead to true economy in the long run. Similarly, it might be possible to reduce the number of doctors, although, of course, there could be no question of entrusting a doctor's responsibilities to unqualified subordinates. These, however, are questions that must be considered on their merits. The comparison itself is meaningless and false, because there is no analogy in this respect between the Fighting and the Ancillary Services.

13. Finally, there is the question why the rates of pay are generally higher in the Administrative and Ancillary Services than in the fighting portion of the Army. In some instances, of course, such as the Medical and Engineer Services and the Mechanical Transport section of the A. S. C., the special training and technical qualifications required are sufficient in themselves to warrant a higher rate of remuneration. In other cases, especially where recruitment is effected by transfer from the fighting units, the plain fact is that some extra inducement is required to ensure a sufficient supply of recruits. The average soldier prefers regimental life and the chance of fighting or commanding troops in the field. He will not abandon that life unless it is made worth his while to do so. It may be unpalatable, but it is nevertheless a fact, that the extent to which this remains true of the Indianised Army of the future will afford a very fair test of its efficiency and keenness.

## V. THE REASONS AGAINST A RETURN TO THE PRE-WAR STANDARD OF EXPENDITURE.

The foregoing articles have presented a picture of a compact and well-balanced Army, the strength and organisation of which is carefully adjusted and adapted to the particular tasks it is called upon to perform. The critic will no doubt reply—"Even assuming that the strength and organisation of the Defence Forces are not in excess of requirements—and I might be prepared to concede so much if their composition was entirely Indian throughout—I still cannot understand why the cost should be so very much higher to-day than it was in 1914, seeing that the total strength is less than it was before the war and prices have now fallen to pre-war levels. I shall also be anxious to hear what you have to say about the necessity for retaining such a large British element in the Defence Forces, for that, from the Indian point of view, is practically the crux of the whole matter." The latter question requires an article to itself. In the present article an attempt will be made to give an answer to the former.

2. The first point to be made is that, when people talk of the enormous increase in Defence expenditure since 1914 and the very large proportion of the revenues of the country that are devoted to that purpose, they imply, consciously or unconsciously, that the position in this respect has grown worse and worse since before the war. They isolate this particular aspect of the national expenditure and forget to look at the picture as a whole. Actually the implication just referred to is the reverse of the truth. *India to-day spends a smaller proportion of her revenues on Defence than she did in 1914.* In other words, as the following figures will show, although the total expenditure has admittedly increased, the rise on the military side has been less than the rise on the civil side. (It is hardly necessary to expose the fallacy, which has so often been exposed before, of taking the expenditure of the Central Government alone without including the expenditure of the local Governments and then proclaiming that Defence absorbs more than half the revenues of the Government of India. If Defence happened to be the sole function of the Central Government, the revenue would be adjusted accordingly and 100 per cent. of that revenue would be spent on Defence; but that would not prove that the expenditure was excessive.)

3. In 1914 the total net revenues of India, Central and Provincial, (that is to say, the balance after deducting the expenditure on commercial undertakings such as Railways, Irrigation, etc.), amounted to just under Rs. 87 crores. The corresponding figure based on the budget estimates for 1933-34 was Rs. 174 crores. There has thus been an increase of 100 per cent. During the same period Defence expenditure increased from Rs. 29 crores to Rs. 44½ crores, that is to say, by a little over 53 per cent., while civil expenditure rose from Rs. 58 to Rs. 129½ crores, that is to say by about 123 per cent. The proportion of the net revenues of the country devoted to Defence fell from 34 per cent. in 1914 to 26 per cent. in 1934, while the share of the civil departments, over the same period, rose from 66 per cent. to 74 per cent. These figures deserve careful study. They do not, of course, prove by themselves that Defence expenditure is not excessive; but they do effectively dispose of the contention that the standard of that expenditure has been growing more and more extravagant;

and, above all, if a return to pre-war levels is demanded on the score of the fall in prices alone, they do suggest that a much larger reduction should logically be demanded, *on that ground*, in the civil departments as well.

It will of course be contended that the increase of civil expenditure has been due to an expansion of the activities of the departments which has, on the whole, been in accordance with the wishes of the tax-payer—and, indeed, that there might well have been an even greater expansion—whereas the increase of Defence expenditure has never received the same measure of popular support. This does not, however, in any way affect the present argument, which is based on the assumption that a fall in prices should lead to an automatic fall in expenditure without restricting the activities of the various departments themselves. A hope of this kind is, in its turn, based on the fallacious expectation that a fall in prices will be accompanied by a simultaneous and corresponding fall in wages—an expectation that never has been, and never will be, fulfilled in ordinary life; and a further analysis of the Defence budget will show what a very large proportion of it goes on “wages” and how absurd it is to demand, in this sphere alone, a departure from universal economic laws. All reasonable people will realise that the whole standard of living and of public expenditure throughout the world has been raised enormously during the last 20 years and that an immediate return to pre-war levels is entirely beyond the sphere of practical politics.

4. Turning now to the Defence Budget of 1934-35, the following statistics will be found both relevant and interesting. The total *gross* expenditure (excluding receipts) came to about Rs. 49½ crores. Of this sum about Rs. 25½ crores or 52 per cent., were spent on the pay and allowances of the services—about Rs. 15½ crores going to the Fighting Services and Rs. 10½ crores to the others. Over Rs. 8½ crores, or 17 per cent., went on pensions; rather under Rs. 7½ crores or 15 per cent., on the manufacture and purchase of Stores of all kinds; about Rs. 2½ crores, or 5 per cent., on transportation by agencies other than the Transport Services of the Forces themselves; between Rs. 2½ and Rs. 3 crores, or 6 per cent., on Works; Rs. 2 crores, or 4 per cent., on the Capitation payments; and under Rs. ½ crore, or 1 per cent., on miscellaneous items. It would be a matter of considerable difficulty to work out corresponding figures for the Rs. 29 crores budget of 1914; but it may be taken from what has gone before that a larger proportion was then consumed on the pay and allowances of the Fighting Services and a smaller proportion on the pay and allowances of the other Services, on Stores and on Works, while the percentages of the other items were about the same, although the amounts were naturally less. This, however, is not important. What we are now concerned with is the extent to which the general level of existing charges is capable of reduction.

5. In considering this question, the first and most obvious point to be made is that certain items lie entirely outside the scope of retrenchment, so far as the military authorities are concerned. Pensions, for instance, have increased by Rs. 3½ crores. This item cannot be reduced and that sum at least must therefore be added to the figure to which a return is demanded. Similarly, Transportation charges depend largely on the cost of railway fares and freights; and a return to anything approaching the pre-war figure of about Rs. 1 crore, as against the present figure of about



Rs. 2½ crores, could only be secured if the Railways were to agree to reduce their rates. The Capitation payments, too, lie largely outside the control of the authorities in India; for they are calculated according to the method advocated by the Tribunal of 1932 whose report was accepted by all parties concerned.

6. In the second place, one cannot disregard the fact that certain entirely new services have come into existence since 1914. The Air Force and the Indian Territorial Force are two cases in point, not to mention the enormous developments in mechanical transport and the appearance of new methods of warfare, such as Armoured Cars, Tanks and Gas. The last mentioned finds no part in the offensive equipment of the Army in India, but it is a danger that must be guarded against; and even protective measures cost money. The same could be said about anti-aircraft defences, the need for which did not exist before the war. It may be contended that motor transport costs more than animal transport—though this is a contention that requires separate examination—but the undoubted fact remains that the former is far more efficient than the latter and, even if it did cost more, it would be just as impossible to expect the Army to go back to nothing but horses and mules as it would be to ask the modern business man or private individual to give up his motor car.

7. Finally, and quite apart from the equity or practicability of reducing the pay of Government servants in advance of a general fall in the rates of ordinary labour, there is the question of the effect that such a reduction would have upon recruitment. It is perfectly true that the rates of pay in all grades, from the Officer down to the Reservist or the humble Follower, have, generally speaking, been doubled, or even more than doubled, since 1914; but it must be remembered that before the war the pay of an officer in the British Army did not purport to be a living wage and few young men took commissions unless they had private means to supplement their pay. A 2nd Lieutenant in England got only £140 a year; against the £333 or £260 that he now receives according as to whether he is married or not; but conditions have changed and a supply of suitable young officers at the old rates would be unprocurable now-a-days. The British Service officer serving in India is supposed to receive a rupee rate of emoluments which will enable him to live in the same degree of comfort, allowing for climatic and other differences, as he could enjoy at home. He therefore gets slightly more than he would get in England. The Indian Army Officer receives the same emoluments as the British Service Officer *plus* an Indian Army Allowance to compensate him for permanent service in a country other than his own. This allowance has always been considerable. In fact, even before the war, the pay of the Indian Army Officer purported to be a bare living wage. The increase therefore in the Indian Army has not been so great as in the British Service. It cannot be said that the cost of living in India, for this class, has appreciably been reduced by the recent fall in wholesale commodity prices.

8. If post-war conditions and the altered outlook upon the Army as a career made these large increases necessary in the pay of officers, it was not to be expected that the private soldier would still be content with the 1s. 1d. a day, which represented his basic pay in 1913-14. After the war the old class of soldier largely disappeared and the pay had to be increased to as much as 3s. It has since been reduced again to 2s., but even this represents nearly 100 per cent. increase on the pre-war rates. The same

considerations apply, though possibly not quite to the same extent, to the Indian sepoy. His basic pay, it is true, has only been raised from Rs. 11 to Rs. 16 a month; but out of his Rs. 11 in the old days he had to feed himself, and the cost of the standard ration was fixed at Rs. 3-8 a month. To-day he is fed free and the real comparison therefore lies between Rs. 11-3-8=Rs. 7-8 and the present figure of Rs. 16. The increase has thus been over 100 per cent. Much the same is the case both with Reservists and Followers. The number of the former has slightly decreased since 1914, but the cost has risen from under Rs. 14 lakhs to Rs. 22 lakhs last year. Nowadays, also, with the reduced period of colour service, the reserve is a real reserve of able-bodied men none of whom are over 35 years old; and the retaining fee that they receive—Rs. 6 per mensem in Class A and less than that in Class B—is hardly capable of reduction. The pay of Followers is 137 per cent. higher than it was before the war. The conclusion of the whole matter must surely be that, so long as the Armed Forces are retained on a voluntary basis, the pay of their personnel, both British and Indian, must be assessed at market rates.

9. A conclusion of this nature however, does not warrant a non-possimus attitude on the part of the Government or a complacent acceptance of the assumption that the present rates of pay do, in fact, represent "market rates". Nor is that the attitude that they have adopted. On the other hand, it would be equally unjustifiable for them to assume that the economic depression of the past few years had come to stay and to proceed, for that reason, to effect a permanent reduction in the pay of their employes corresponding to the catastrophic fall in wholesale prices that has taken place. Apart from the breach of contract that such action would entail in certain cases, its general effect would hinder rather than help the revival of confidence on which economic recovery must depend. Leaving aside the temporary reductions in pay and allowances which were made to meet the circumstances of the moment and are now being restored, the Government have in recent years examined the whole field of existing pay standards in order to see what permanent reductions can be made in the emoluments of future entrants to their service. Under this heading come the reductions in the pay of British troops already referred to, which have produced a saving of well over a crore of rupees; and the proposals, accepted or under consideration, for a revision of the pay scales and leave rules of the different services. In the latter field the standard must be set by the civil departments; but the Army authorities are prepared to follow suit and considerable reductions may be expected in the future pay of many of their employes. In particular, the Indian commissioned officers of the future, who will be serving in their own country, will not require to retain the salaries now given to British officers of the Indian Army. It will of course take some years before the effect of such economies begins to be felt. In the meanwhile it is, perhaps, noticeable that practically the only class whose emoluments have escaped retrenchment is the rank and file of the Indian Army, whose pay and allowances account for about one quarter of the total pay bill of the Army; and although it is not suggested that savings should be made at their expense, it cannot be denied that the fall in prices has reduced their cost of living.

10. So much for that portion of the expenditure which accounts for over half the total Defence Budget. There remain two items out of those mentioned in para. 4 above with regard to which it may be said that

considerations of this kind do not apply and that might therefore be expected to be capable of very large reduction owing to the fall in prices. These are, firstly, Stores and, secondly, Works.

The answer is that in both these cases full advantage *has been* taken of the fall and very substantial savings have been secured on the purchase of raw materials and, particularly, agricultural products. Under Stores, owing mainly to the fall in prices, the saving has amounted to about a crore of rupees; while under Works there has been a reduction of a crore, due largely, it is true, to the stoppage and postponement of particular projects, but partially also to the drop in the cost of building materials and the cost of labour. Even here, however, a return to pre-war levels is not to be expected. Not only have the responsibilities of the Government been enormously increased (as explained in a previous article) in respect of the number of men whom they have to feed, clothe, house and otherwise provide for, but also retail prices and market wages have not fallen to anything like the same extent as wholesale prices. Consequently payments for labour and for manufactured goods, into the cost of which labour enters as a substantial item, have only dropped to a moderate extent. Moreover there are a number of stores, e.g., scientific instruments, the price of which has remained unaffected by the depression; and there are others which have to be imported, e.g., motor vehicles, any small reduction in the initial cost of which has been more than counter-balanced by the increase of customs duties.

11. The object of this article has been to demonstrate the impossibility of returning to pre-war standards as a corollary to the recent fall in wholesale prices. We may conclude by giving certain figures which really contain the gist of the whole matter. It has been calculated that the purchasing power of Rs. 29 crores in 1914, in terms of wholesale prices, was equivalent to the purchasing power of Rs. 44 crores in 1929. Nineteen hundred and twenty-nine was only six years ago, and the Defence Budget then stood at Rs. 55.10 crores. The budget for 1935-36 is under Rs. 45 crores. It could certainly not have been brought down to that figure if the fall in prices had not taken place; but this fall by itself in the short space of three or four years, could not possibly be expected to produce automatically the reduction of over Rs. 10 crores that has actually been secured, mostly by real retrenchment, as will be explained later.

If the cost of the Army and Air Force is taken together and that of the Naval Forces is omitted—because it has not varied greatly either in England or in India—it is interesting to note that this expenditure in India has risen from about Rs. 28½ crores before the war to Rs. 44½ crores in the present budget, that is to say, by 54 per cent.; while in England it had risen from about £28½ million to last year's figure of £57½ million, or over 100 per cent. On the other hand to take only a few examples, Military and Air Force expenditure in Japan and in the United States of America has been nearly trebled during the same period. England and India are practically the only two nations in the world that made serious efforts to reduce their defence expenditure after the war. Finally, although arguments based on figures of population must be used with caution, it is a fact that the incidence of defence expenditure in India is Rs. 1-8 per head, whereas in England it is over Rs. 30, in the Dominions between Rs. 3-8 and Rs. 8, in France Rs. 29-8, in the United States of America Rs. 18-8, and in Japan Rs. 6-8.

## VI.—THE BRITISH ELEMENT IN THE ARMY IN INDIA.

It is now necessary to give some answer to the second question asked by our imaginary critic at the beginning of the last article—"What is the necessity for retaining such a large British element in the Defence Forces?" There are, of course, two different questions involved. The first is the question of the strength of the British Army stationed in India; and the second is the question of the replacement of British by Indian officers in the Indian Army. The whole subject has been so frequently and so fully discussed elsewhere that it is impossible to throw much new light on it and it would be a waste of time to reproduce all the arguments that have been brought forward on one side or the other. The demand for an expert enquiry into the possibility of reducing the number of British troops in India was made by the Defence Sub-Committee of the First Round Table Conference. The enquiry itself developed, as it necessarily had to, into an examination of the strength and composition of the entire Army in India; and the results of this enquiry received the full consideration of the Committee of Imperial Defence, whose responsibility in all matters affecting the safety of the Empire as a whole (and not only India in particular) was recognised without reservation by the Sub-Committee referred to above. The problem thus involved an examination of the even wider issue of the extent to which the Army in India is maintained for Imperial, as distinct from purely Indian, purposes, which, in its turn was exhaustively discussed by the Tribunal set up in 1932 to make recommendations on the vexed question of the Capitation Rates and also on the claim that His Majesty's Government should make a contribution towards the cost of the defence of India. Finally, the first main question, referred to above could not be entirely separated from the second, for the simple reason that the present policy with regard to the "Indianisation" of the Indian Army, as already explained in a previous article, involves the replacement of certain units of the British Army (e.g., in the Artillery) by new units of the Indian Army and thus has a direct bearing on the reduction of the number of British troops serving in India.

2. The results of these enquiries have been published and it is unnecessary to do more than refer the reader to the announcement that was made on the subject of the reduction in the number of British Troops and to the Report of the Capitation Rate Tribunal with the decisions of His Majesty's Government thereon. The position, very briefly, is that it has been decided not to make any immediate reduction in the strength of the British Army serving in India. On the other hand, it should be realised that there has been a reduction of over 20,000 British Officers and Fighting troops on the Indian establishment since 1914 and that the Indianisation of a Division and a Cavalry Brigade will eventually involve the disappearance from India of one Battery of Royal Horse Artillery, two Brigades (eight Batteries) of Royal Field Artillery and one Brigade (four Batteries) of Mountain Artillery. Moreover, the contribution of about Rs. 2 crores which His Majesty's Government has decided to make towards the cost of the defence of India, although it is not ear-marked in any way and has no particular reference to the British portion of the Army in India will, in practice, relieve the Indian tax-payer of payments equivalent to the cost of 11 battalions of British Infantry, that is to say, about  $\frac{1}{4}$  of the British Infantry in India.

3. The reasons for the Indian demand for the reduction of British troops and the Indianisation of the Indian Army are two-fold. They are

partly financial, on the ground that British troops cost more than Indian troops, and partly political, because there is a perfectly natural feeling that until India can stand on her own in the matter of defence, it will be impossible for her to achieve the measure of self-government towards which she is aiming. To take the first of these reasons first, it will be of interest to examine how much India is paying at present for British troops and what the saving would amount to if they were entirely replaced by Indian troops. The Defence Estimates are not compiled in such a way as to give a ready answer to this enquiry, but the information was given in 1932 in reply to a question in the Legislative Assembly that the total cost of the British portion of the Army in India might be taken to amount to Rs. 13 crores. This referred to fighting troops. Statement I in the Defence Estimates also gives the information that the total strength of the British personnel in the Defence Forces (including the Royal Air Force, the Royal Indian Marine and the permanent establishment of the Auxiliary and Territorial Forces) stands on April 1st, 1935, at 7,279 officers (including the 210 Indian Officers with King's Commissions, who are technically counted as British Officers) and 59,296 British other ranks. The Fighting units and Staffs account for 4,571 British officers and 54,446 British other ranks or a total of 59,017; the Administrative and Ancillary Services include 2,345 British officers and 2,914 British other ranks besides, of course, a large number of Indian other ranks; the Royal Air Force has 265 British officers and 1,894 British other ranks; and the Royal Indian Navy contains 98 British officers and 42 British other ranks.

There are five British Cavalry Regiments in India whose strength in British personnel comes to roughly 3,000. There are 45 British Infantry Battalions which account for approximately 40,500 officers and men. There are some 78 Batteries of Artillery with a British strength of about 10,000 officers and men. The difference between the total of 53,500 thus arrived at and the 59,017 mentioned above under Fighting units is accounted for by the number of British officers and other ranks employed in Signals, Engineers (Sappers and Miners), the Tank Corps, Staffs and the 1,700 odd British officers who serve with the Cavalry and Infantry units of the Indian Army.

4. So far as the Cavalry and Infantry units are concerned, a ready comparison is available in the figures of cost which have already been quoted in an earlier article and which are published on page 25 of the current years' Defence Estimates. The five British Cavalry regiments cost Rs. 77.55 lakhs, while the same number of Indian Cavalry regiments would cost Rs. 35.35 lakhs. The saving therefore would amount to Rs. 42.20 lakhs. The 45 British Infantry battalions cost about Rs. 7.48 crores, while the same number of Indian Infantry battalions would cost about Rs. 2.94 crores. The saving would therefore amount to about Rs. 4.54 crores.

The combined cost of the British Cavalry and Infantry units comes to about Rs. 8½ crores, that is to say, about two-thirds of the cost of the British Army in India. If a corresponding saving could be secured on the replacement of British by Indian personnel in the remaining units of the British Army and also in the Indian Army itself, the total savings would come to something in the neighbourhood of Rs. 9 crores. It is not to be expected however that anything like this result could be obtained. The real saving comes in on the cost of the British soldier as compared with

that of the Indian sepoy. The pay and allowances of the former come to Rs. 850 a year against Rs. 285 for the latter. In the officer ranks the difference is not nearly so marked. In fact the Indian King's commissioned officer trained at Woolwich or Sandhurst receives the same pay as his British *confrere* in the Indian Army; and although, as already stated in a previous article, the rates of pay for the Indian Commissioned officer trained at the Indian Military Academy have been lowered, it is impossible as yet to say what the reduction will amount to. In any case, as we have already had occasion to notice, the proportion of officers to other ranks outside the fighting units is far higher than it is inside them. Further, in these other units—and also even in the Artillery and Engineers—a considerable proportion of the other ranks are already Indian. At a most liberal estimate, therefore, the possible savings outside the Cavalry and Infantry should not be placed at more than, say, Rs. 3 crores; and this would give a total saving following the disappearance of the entire British element in the Army in India of something under Rs. 8 crores, excluding, of course, the cost of pensions.

5. However rapid might be the process of withdrawing British units and Indianising the Indian Army, it is obvious, that many years would have to elapse before this saving could be secured. To take a single example, a British officer of the Indian Army does not normally obtain command of a battalion until he has 25 or 26 years' service, whereas there are very few of the existing Indian officers who have at present more than ten. It is impossible to hasten the process of replacing British officers by Indians without loss of efficiency. There are two further facts that have to be taken into consideration. In the first place, the strength of both British Cavalry and Infantry units is considerably greater than that of the corresponding units of the Indian Army (except in the case of Gurkha battalions) and this must not be overlooked in comparing the cost of the two and substituting the latter for the former. In the second place, the Indianisation of the Indian Army involves, logically, the disappearance of the grade of Viceroy's Commissioned officers and a corresponding increase in the number of full Commissioned officers per battalion. With a homogeneous set of officers the need for this link between British officers and Indian other ranks must cease to exist; and the Indianised battalion of the future will contain the full complement of 28 officers, as is the case in the British Army, instead of the 12 King's Commissioned officers and 20 Viceroy's Commissioned officers who are at present included in its establishment. The pay of the Indian Commissioned officer being necessarily higher than that of the Viceroy's Commissioned officer, the expense will be correspondingly increased; and, in fact, it is now calculated that the cost of the fully Indianised Infantry battalion of the future will be a few thousand rupees more than that of the present battalion with its 12 British Officers.

6. So much for the financial side of the problem. The complete withdrawal of the British Army from India combined with the replacement of all British by Indian personnel, both in the British and Indian portions of the Army in India, would certainly not have the effect of reducing the cost of the defence of the country to pre-war levels; and yet it may be asserted with some confidence that most Indians would not press for a reduction in the present strength of the Armed Forces if they consisted entirely of Indian personnel. The implications of this statement deserve careful reflection.

7. Turning now to the political aspect of the problem, it can be agreed at once that there should be nothing but approval, and even admiration, for the sentiment which prompts the demand that India should be placed as early as possible in a position to undertake her own defence without outside assistance. The demand incidentally implies that the Defence Services are the greatest of all the "Nation-building" departments of the State. The subject is a difficult one. It has been said over and over again that there is no disagreement between the Government and their critics as to the ultimate object in view and that the difference lies in the two opposing views as to the pace at which it should be reached. That is true; and no useful object would be served by repeating the well-worn arguments that have been used on either side. It would also be a work of supererogation to controvert in detail the contention that the Army in India, and particularly the British portion of it, is maintained for Imperial purposes at the cost of the Indian taxpayer, with the express object of relieving the burden on the British taxpayer. Every argument that has ever been used by Indian politicians on this aspect of the question was fully and ably placed before the Capitation Rate Tribunal; and the report of that highly authoritative body is open for all to read. There are, however, one or two observations to be made which may open up new lines of thought on the whole of this vexed subject.

8. It is commonly said that the present policy is based on a profound distrust of the Indian, the origins of which may be traced back to the Mutiny. Now, it cannot be denied that the post-Mutiny policy *was* based on such distrust—and, indeed, it is difficult to over-estimate the time by which the clock of India's progress was put back by that episode in her history. The policy deliberately adopted after the Mutiny was the well-known plan of not putting all one's eggs into one basket. No single class in the Army was allowed to preponderate; a definite ratio was laid down between Indian and British troops; and a system of 'counterpoise' was established—"Firstly, (in the words of Sir John Lawrence) the great counterpoise of the European and, secondly, that of the various native races." To-day, happily, distrust of this kind no longer exists. There is no question about the loyalty of the Indian Army. The tables have to some extent been turned; and such distrust as exists is the distrust felt by politicians of the sincerity of the Government in their programme of Indianisation, and the distrust that unfortunately seems to grow no less between the various communities themselves. The point may be illustrated further by the criticisms that are so often heard of the present policy of confining recruitment for the Army to certain so-called "martial classes". It is frequently argued that the post-Mutiny policy has been responsible for the "demartialisation"—not to mention "emasculat<sup>o</sup>n"—of large sections of the population. If this were true, the argument that is frequently advanced on the opposite side, to the effect that Indians are fit and ready to take the place of British soldiers, would be clearly unsustainable. The real objection is apparently that the post-Mutiny policy has *not* been adhered to. As the dangers receded which that policy was designed to avoid, the military authorities have gradually returned to the policy of recruiting particular classes because they were the best fighting material, instead of putting their eggs into a number of different baskets. And what the critic really means, when he criticises this policy, is that the classes now recruited are the wrong classes from his particular point of view. His fear, like the fear of the Government in the old days, is lest

a particular class should be allowed to predominate in the Army, and, so long as that fear exists, the need for a "counterpoise" remains, although it may be for a different reason. Has the time yet come when the British "counterpoise" can be dispensed with?

9. What has just been said constitutes one of the answers to the question why it is still necessary to retain a certain number of British troops in India; but there is also another reason. Actual experience in the Great War proved conclusively that, gallant as was the behaviour of Indian troops on countless occasions, their value was greatly increased when fighting with British troops; and if this was the case when Indian troops were themselves led by British officers, it is no less likely to be so when they will be officered entirely by men of their own race. It is no disparagement to the coming generation of Indian Commissioned officers to say, as the Commander-in-Chief said not long ago in the Council of State, that we have not got in India, as we have in England, a large supply of young men with long traditions of leadership in the Army behind them, and therefore there must be an element, not of distrust, but at least of doubt, as to the success of the experiment upon which the Government are now fully launched. That is a plain fact. The doubt may be removed—and it is hoped that it will be removed—before many years have passed; but the initial stage of the experiment is certainly not the moment at which to effect a large reduction in the number of British troops serving in India.

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## VII. MISCELLANEOUS SUGGESTIONS FOR REDUCTION OF EXPENDITURE AND THE REASONS FOR NOT ADOPTING THEM.

An attempt has now been made to deal with all the main arguments advanced by the opponents of military expenditure in India and to set forth as succinctly as possible the reasons in favour of retaining the present strength, organisation and composition of the Defence Forces. There are, however, a number of suggestions that are put forward from time to time in the belief that their acceptance would result in large economies; and it is proposed to examine some of them in the present article.

2. It is sometimes argued that, even if no reduction is possible in the number of units, large savings could be secured, without altering the organisation or composition of the Army, by making a small decrease in the number of men per unit. It is pointed out, for instance, that it would save nearly half a lakh of rupees to take one man from each of the 45 British Infantry battalions on the Indian establishment; and obviously, if this figure could be multiplied by even a small number, the total economy would soon swell to very respectable dimensions. The proposal sounds attractive, but it is inherently unsound. A unit of the Army, whether it be a Division, a Brigade, or a Battalion, is not a haphazard collection of individuals, but a cog in the machine, the size and strength of which is precisely calculated in the light of long experience to fit exactly the task that it has to perform. The strength of each unit is built up round the smallest sub-unit—which in the Infantry is the Section—and the number of sub-units in a unit is based on tactical requirements. The Infantry Section, for instance, to take the simplest example, is the largest number of men that experience has shown to be capable of suitable control by the human voice in action. Any alteration in the size of the Section—in peace owing to the absence of men on leave and in war owing to casualties—increases very considerably the difficulties of correct training or tactical handling. Any further reduction of the authorised establishment of the sub-unit would add to these difficulties and detract from the fighting value of the Platoon in which the Sections are incorporated. In the same way, the number of Sections in a Platoon is fixed by tactical considerations, to provide, for example, for forward and reserve troops, covering fire and mutual support. The number of Platoons in a Company and the number of Companies in a Battalion are decided by similar desiderata and are the result of much thought and long experience. The invention of a new weapon of offence, it is true, or the discovery of a new method of defence, may necessitate, or permit, an alteration in the strength of a unit; and advantage is invariably taken of such changes when they occur. Otherwise it is impossible to play about with numbers, without affecting the balance and efficiency of the fighting unit. The suggestion must, therefore, be ruled out as impracticable.

3. Another argument that is often heard is that the equipment of the Army in India is in excess of purely Indian requirements; that the scale of equipment is dictated by the War Office; and that large savings could be secured if India were allowed to set her own standard. It has already been shown that the Legislative Assembly accepted a Resolution in 1921 to the effect that the organisation, equipment and administration of the Army in India should be thoroughly up-to-date and, *with due regard to*

*Indian conditions*, in accordance with the present day standards of efficiency in the British Army. The words italicized above are ignored and the hasty conclusion is reached that India is thus compelled slavishly to follow British models. It is a comparatively easy matter to dispel this illusion. It is the type and, not the scale, of equipment in which uniformity is obviously desirable; and there are many instances in which the scale itself has been deliberately altered to suit Indian requirements. Thus an Infantry battalion on the War Establishment in England now has 16 Machine guns and 26 Lewis guns; on the Indian establishment the allotment is 12 Machine and 12 Lewis guns. Similarly, a Division in England contains 60 guns in peace and 84 in War, whereas the Artillery in India is not organised on a Divisional basis in peace and the War Division contains only 48 guns. The battery organisation is similar, but the Division in India has one less Artillery Brigade than the Division in England. It is of interest to note in this connection that it was accepted as common ground between the representatives of the War Office and the India Office, in arguing the case for a contribution from Imperial Revenues before the recent Capitation Rate Tribunal, that the equipment of the Army in India was not in excess of Indian requirements; and the Tribunal itself accepted that position.

4. A similar impression seems to be prevalent in India that the Army authorities have gone to excessive lengths and are spending far too much money on mechanisation, simply because mechanisation has been the fashion in European countries. The public are aware that there is a mechanisation programme in India which is being worked out as part of the campaign for improving the equipment of the Army. They are also aware that Great Britain and other European countries have been experimenting with certain mechanised fighting formations; and it is assumed from this that India is following suit. This is not so. It is true that there are 5 Armoured Car Companies in India, containing a total of 80 armoured cars, and there are also 3 Light Tank Companies with a total of 75 Carden Lloyd light tanks. In two brigades of Field Artillery the guns are drawn by motors instead of horses; and the guns of the Medium Artillery were tractor-drawn before the present programme of mechanisation was started. These developments are fully justifiable in order to keep pace with modern progress and invention. Tractors are able to take heavy guns more easily than horses to most positions that tactical considerations would make it necessary for them to occupy in the sort of warfare that is to be expected on the Frontier. But the deployment across country of fighting troops in motor vehicles would obviously be an impracticable proposition in such terrain; and no experiments of this kind have been attempted in India. The present mechanisation programme is confined almost entirely to the mechanisation of the Transport Services; and the object in view is to increase the speed and reduce the length of the long, slowly-moving transport column, which in the old days of animal transport formed an easy target of attack on the mountainous roads of the North-West Frontier and thereby constituted one of the chief anxieties of the Force Commander. It is true that the cost of the Transport Services in 1914 was only about Rs. 31 lakhs (for Animal Transport alone), whereas the 1934-35 cost of the Animal Transport Services amounts to about Rs. 39 lakhs, while the M. T. units, with their depots, workshops and inspectorate, cost about Rs. 88½ lakhs. In addition, there is the expenditure on the purchase of vehicles, and also

the cost of M. T. stores including spare parts, tyres, petrol and oil, the normal annual cost of which may be placed at about Rs. 25 and 16 lakhs. respectively. On the other hand, the cost of feeding animals, including, of course, all the Cavalry units that were previously maintained on a Silladar basis, has fallen by about Rs. 40 lakhs since 1914; the expenditure on the purchase of animals themselves is no greater than it was before the war; and the cost of hired transport has fallen by Rs. 10 lakhs since the mechanisation programme started.

The increased expenditure is due to the expansion and improvement of the Transport Services themselves, combined with the admittedly heavy initial cost of changing over from animal to mechanical transport. It has, however, been calculated that, when the present programme has been completed, the cost of maintaining the Transport Services as a whole, including the largely increased element of Mechanical Transport, will be no greater than it was before the programme started. At the same time, the increase in efficiency and carrying power will be enormous and will add greatly to the fighting power of the Forces themselves. To those who insist on a reduction of expenditure, it may be pointed out that the only real opportunity for economy lies in the development of an efficient motor manufacturing industry in India. A development of this kind should not only decrease the initial cost of M. T. vehicles, taking into account the heavy customs duties at present levied on imported vehicles, but also would enable very large deductions to be made in the reserve stocks both of vehicles and spare parts which it is now necessary to maintain owing to the fact that many thousands of miles separate the consumer from his source of supply.

5. Finally, there is the notion, which is common to most retrenchment enthusiasts, that the present high cost of the Defence Services is largely due to the excessive number of highly paid Commanders and staff officers. A complaint of this kind is not confined to the Defence Services alone. It is frequently made also with reference to civil officers; but in both cases, examination will show that no hidden gold mine is to be found in this source of retrenchment. Out of the 7,279 officers serving in all Branches of the armed Forces in India, there are 46 officers of and above the rank of Major-General (or corresponding rank in the Royal Air Force and Royal Indian Navy) and 174 Colonels or officers of corresponding rank. Assuming that the average pay of the former is Rs. 3,000 per month and that of the latter Rs. 2,250—and these estimates are on the high side—the total cost of these officers, who represent slightly over 3 per cent. of the total, works out to about Rs. 63½ lakhs, that is to say, a little under 1½ per cent. of the total cost of the Defence Services. It is obvious that even a comparatively large reduction, both in pay and in numbers, assuming that either of these courses were justifiable, would not produce a saving of more than a few lakhs of rupees.

6. On the other hand, it is a fact that the cost of staffs has risen from about Rs. 83 lakhs in 1914 to a little under Rs. 2 crores in 1934-35; the number of staff officers has risen from about 450 to about 560; there has been an even greater increase in the clerical establishments working under these officers; and some explanation for the increase may justifiably be demanded. Before the war, the Army in India was divided into two Armies, at the head of each of which was a General Officer responsible for command, inspection and training, but with no administrative functions or responsibility and, consequently, no administrative staff.

The 10 Divisions constituting the two Armies were directly subordinate to Army Headquarters for administrative purposes. The defects of this system had already begun to be apparent before the war. Army Headquarters, dealing direct with Divisions, was burdened with administrative detail, and Divisional Commanders were similarly overworked to the detriment of training for war. Moreover, the system made no provision for the command or administration of Internal Security units after the departure of the Field Army on active service; and there was therefore no machinery after mobilisation to ensure the continuity of the normal military administration in India itself. These considerations, together with other defects in staff organisation that were brought to light by the war, led to the adoption in 1921 of the present Four-Command system. The four Army Commanders are now responsible for the command, administration, training and general efficiency of the troops in their areas and for all Internal Security arrangements. To enable them to discharge these functions, administrative and financial, authority has been delegated to them from Army Headquarters and they have been provided with staffs proportionate to their new responsibilities. These changes in themselves naturally entailed an increase in the total number of staff appointments, although they might have been expected to lead to some reduction in the previous strength of Army Headquarters. There were, however, other factors tending to a general increase in the number of staff appointments. The assumption by the Government of responsibility for feeding, equipping, mounting and housing the Indian Army involved the centralisation of duties hitherto carried out regimentally and a great expansion of the organisations maintained permanently in peace for the performance of these services. The control of these centralised services necessitated new appointments on the staffs of Army Headquarters, Commands, and Districts. Further, as already explained, it was accepted that the reduction in the strength of fighting units must be accompanied by an improved standard of equipment and training. This in turn connoted an increase in the number of those whose duty it is to think out and co-ordinate the various activities designed to secure a high standard of preparation for war.

7. It may be open to question whether the present strength of staffs in India is not in excess of purely peace requirements. It is also not denied that some further decentralisation might be possible and that a wider delegation of powers from the India Office to the Government of India, from the Government of India to Army Headquarters and from Army Headquarters to subordinate Commands, combined with a decrease in the complexity of Army Regulations, might render possible some reduction of personnel. On the other hand, the complexity of modern warfare is such that success in the field is apt to depend more and more on the efficiency of the staff. From this point of view a liberal supply of trained staff officers is a necessity and not a luxury. It is, perhaps, hardly realised what an immense amount of planning and foresight is entailed in the movement of bodies of troops under modern conditions. The simplest emergency move requires very elaborate staff work to ensure that nothing is forgotten and that everything works smoothly when the day comes. To begin with, the choice of the trouble and most readily available? What will be the effect on normal relief programmes and the resulting local situation after the departure of the troops from their peace station or stations? The orders for the

move are then prepared and must include instructions down to the last detail on a variety of subjects, such as the strength at which the units will proceed, the necessity for the recall of personnel on leave and furlough, the scales of equipment, animals and stores to be taken, the arrangements for the families, depots, unfit personnel, surplus baggage and vacated lines. These in their turn may lead to other subsidiary movements. Further, the characteristics of the area in which the operations are to take place require study to ensure that any special stores, medical appliances, special transport, maps, etc., may be arranged and placed, as far as possible, in the hands of the troops before the force leaves. In Burma and Bengal, for example, motor transport is of little value for mobile columns and special medical arrangements were necessary. The actual details of the method by which the move will be made, whether by rail, M. T., or road, then have to be worked out, so that accommodation and feeding arrangements may be ready *en route* and finally preparations must be made in advance for the reception, accommodation and maintenance of the troops at their destination. All this entails careful co-ordination of engineer work, complete co-operation with the Railways, the provision and location of maintenance installations and often re-adjustments in the holdings of existing installations, to ensure that the operations are conducted as economically as possible.

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## VIII. THE DEGREE OF RETRENCHMENT ACTUALLY ACHIEVED AND THE SYSTEM OF FINANCIAL CONTROL.

1. The preceding articles have endeavoured to explain the difficulties and dangers in the way of making any large reduction in the present strength and cost of the Defence Forces. They have argued that this or that cannot be done. It is now time to turn to the other side of the picture and to give, firstly, a brief account of what could be done, and has been done, to reduce the bill and, secondly, a more positive justification of Defence expenditure than has hitherto been attempted.

2. For the former purpose, in order to put things in proper perspective, it is necessary to go back a few years. Everyone knows that the military budget before the war was about Rs. 29 crores; but it is apt to be forgotten that after the war, in 1922-23, it stood at no less than Rs. 68 crores. This figure contained over Rs. 5 crores due to the operations in Waziristan, but the peak figure may fairly be put at about Rs. 63 crores. Today the Defence estimates stand at a figure of Rs. 45 crores, which means that there has been a reduction of Rs. 18 crores, or 28 per cent. in the last 12 years. The first step in this reduction came with the Inchcape Committee, which recommended in 1923-24 a Defence Budget of Rs. 57½ crores and looked forward as an ultimate possibility to a rock-bottom figure of Rs. 50 crores. The methods of the Inchcape Committee have already been referred to. Actually the budget for 1923-24 was reduced to Rs. 55 crores, but time soon proved that such sweeping reductions were ill-considered and in 1924-25 the budget rose by a crore of rupees. For the next few years expenditure remained round about Rs. 56 crores, but in 1927-28 the effects of the Inchcape reductions came to a head. The Defence authorities were compelled to bring to the notice of the Government of India that the substantial decrease in the numerical strength of the Forces had been accompanied by a quite disproportionate reduction in the provision for maintaining them; that the essential balance between fighting troops and administrative and ancillary services had been seriously impaired; and that equipment had fallen, and was progressively falling, below the standards required to give effect to the policy which both the Government and the Legislature had accepted as essential. The Government of India thus found themselves in a dilemma. It was estimated that Rs. 10 crores were required to put things right and yet the proclaimed policy was the progressive reduction of military expenditure and it was impossible to contemplate any permanent increase in the Defence Estimates.

3. The solution was found in what is popularly known as the Contract Budget system. The essential features of this arrangement were as follows:—

- (a) a fixed sum of Rs. 55 crores, which represented an increase of Rs. 1 crore over the then assumed level of Standing Charges, was to be placed at the disposal of the Commander-in-Chief for a period of 4 years.
- (b) during this period the military authorities were to carry out a special economy campaign, calling upon all ranks to co-operate in eliminating unnecessary expenditure; and

- (c) during the same period, the Commander-in-Chief was to be allowed to retain and carry forward all savings, whether automatic or secured by special measures of economy, and to apply them to financing a special 10 crore programme of re-equipment.

Towards the cost of this programme, Rs. 4 crores were to be found from the arrangement referred to at (a) above; Rs. 2 crores were expected from automatic savings, such as the reduction in the pay of British troops; and the balance of Rs. 4 crores was to be found from the economy campaign and further unspecified reductions in the scale of commitments. The programme itself was designed to place on a satisfactory footing the mobilisation requirements of the Field Army; to provide for the addition of two new squadrons of the Royal Air Force and the re-equipment of the existing squadrons; and to put through a scheme for the mechanisation of a large portion of the Transport Services and a few fighting units. It was estimated that increases in Standing Charges under certain heads at the end of the four-year period might amount to about one crore of rupees; but the permanent net level of the Defence Budget after the four-year period was to be lowered to Rs. 52½ crores. Thus, taking the original Standing Charges to be Rs. 54 crores and assuming that the provision for increased Standing Charges and other new demands might be placed at Rs. 1½ crores, recurring economies amounting to Rs. 3 crores would be required to reach the new level of Rs. 52½ crores. The programme itself was recognised to be liable to modification in detail, but the arrangement was based on the stipulations that there would be no large variation in the total cost and that, at the end of the period, the Standing Charges of the Army, would be those required for the maintenance of forces of the same general strength as at the beginning of the period, but as re-equipped and re-organised in accordance with the programme.

4. In practice, the stabilisation of the Defence Budget lasted in its entirety for two years only. Since 1930-31, the effects of the general economic depression have involved a departure from both the first and the last of the principles described in the preceding paragraph. The "fixed" allotment (excluding the 'Civil Grant' for the Territorial Forces) was reduced from Rs. 55 crores to Rs. 54.20 crores in 1930-31. In 1931-32 a further reduction to Rs. 51.90 crores took place, while the provision for 1932-33 was Rs. 46.65 crores and for 1933-34 Rs. 46.12. Largely as a result of the contribution made by His Majesty's Government after the Capitation Tribunal award the provision for 1934-35 was Rs. 44.30 crores and the Budget estimate for 1935-36 is Rs. 44.91 crores, which includes Rs. 53 lakhs for the restoration of the pay cuts. The fact is that the budget of the present year stands at a point more than 10 crores below the level of 1929-30.

5. The principle of the right to carry forward savings has to some extent been retained; but it has been found necessary to meet from the Contract Budget certain special expenditure (amounting in all to some 2½ crores of rupees) which, under the terms of the agreement, would ordinarily have been met by special grants. The most important of these items has been the expenditure incurred in the operations on the North-West Frontier the suppression of the Burma rebellion, the establishment of an additional garrison in Bengal and the cost of moving the troops whose assistance was found necessary from time to time in dealing with the civil disobedience movement.

6. It is the second main feature of the Contract arrangement, and this feature alone, that has remained intact. In spite of the progressive reductions that have been made in the Contract figure, in spite of the enforced surrender and diversion of funds, which have added greatly to the difficulty of their task, the Defence authorities have adhered steadily to their side of the bargain. The efforts of those responsible for the economy campaign were intensified as the economic situation grew worse; the search for savings is not yet ended; and the results achieved are apparent in the budget figures quoted in para. 4. At the same time—and this perhaps is the most important point—the mistakes of the Incheape Committee have been carefully avoided; the re-equipment programme, instead of being abandoned, has been steadily pursued; rather more than three-quarters of it has actually been completed; and it can truthfully be claimed that the ordeal of retrenchment has so far been survived without serious damage to the efficiency of the Defence Forces. The machine has been stripped of many useful, if not essential parts, but the all-important balance has been preserved and it is still working well.

7. To summarise, the Budget stands today at a figure of more than Rs. 10 crores, and the present Standing Charges of the Defence Forces at a figure of more than Rs. 9 crores, less than in 1928; and yet it has been possible since that year to spend more than Rs. 7½ crores in retrieving the mistakes of the past and to relieve the general exchequer of expenditure amounting to nearly Rs. 2½ crores which in normal times it would have been called upon to defray. It is not pretended that results of this magnitude have been secured by the unaided efforts of the Defence Authorities. Great assistance was received from the Army Retrenchment Sub-Committee and, perhaps, even greater from external causes such as the unprecedented fall in prices, from automatic sources, such as the reduction in the pay of British soldiers, and from particular and non-recurring windfalls.

For much the same reasons it cannot be asserted that the low level now reached represents a new normal standard of obligatory charges. Prices may rise, works cannot be permanently postponed and the provision of new equipment and weapons required to keep the army up to the standard that has been accepted cannot continue to be deferred indefinitely. In fact, a prolongation of the present conditions would soon lead to a definite deterioration in the efficiency of the armed forces and their preparedness for war. Except in times of actual stringency such as we have been passing through, yearly provision of money for new equipment as opposed to maintenance is not only necessary for efficiency, but is in itself economical: otherwise it would soon become necessary to make provision for another large and expensive re-equipment programme.

Nevertheless, it may justly be claimed that the achievement has been remarkable and that behind all the other causes of the reduction of expenditure lies a solid block of real retrenchment, amounting to between 4 and 5 crores of rupees, which has been secured, not without considerable sacrifice, by the deliberate efforts of His Excellency the Commander-in-Chief and his officers.

8. If credit may fairly be claimed for these results, it is equally important to lay to heart the lessons that have emerged from the experience of the past few years.

In the first place, it should have been brought home to all concerned beyond the possibility of a doubt that the Defence expenditure of a country



can never be satisfactorily financed by a series of fits and starts—by a period of expansion followed by a ruthless application of the axe and a period of starvation, which, in turn, has to be succeeded by a special programme of expenditure in order to put things right. Violent fluctuations are not only administratively, but financially, unsound and only lead to greater expenditure in the long run.

In the second place—and this fact, it is hoped, will supply some answer to those who contend that the success of the economy campaign in the Army only proves the correctness of their belief that there was, and still is, ample room for retrenchment—it has been clearly demonstrated, at any rate to the Defence authorities themselves, that successful economy cannot be secured without the co-operation of all ranks and that the co-operation experienced on the present occasion was due, more than anything else, to what may be called the "Contract spirit". The principle of the 'Stabilised Budget', under which the Armed Forces retain some claim over the savings that they have themselves secured, not only confers the inestimable advantage of being able to plan ahead, but also makes it possible to take risks that could otherwise never be faced. For example, it is desired to change over from animal to mechanical transport. With the assurance that the grant for the former will not be reduced, it is possible to disband animal transport units before others are ready to take their place. A risk is taken for a short period, knowing that the money so saved will not have to be surrendered, but can be used for the purchase of the necessary mechanical vehicles. Above all, the grant of this measure of control over their own affairs, as so often happens, has greatly increased both the sense of financial responsibility and the responsiveness to the demand for economy on the part of all concerned. On the one hand, without any relaxation of financial control—and the Retrenchment Committee were satisfied after full enquiry that the Contract system involved no such relaxation—the financial authorities have found it possible on this account to make considerable reductions in their own staff; and the decrease of work thereby secured has contributed towards such reductions in the Staff of Army Headquarters as have been found possible in the last few years. On the other hand, it is no exaggeration to say that the response to the call for economy has exceeded the most sanguine expectations of those in authority; they never guessed that such large savings would be possible; and they attribute the result largely to the realisation throughout the Army that something drastic had to be done and that, if they did not do it—and do it thoroughly—in their own way, economies would be forced upon them which would seriously endanger the efficiency of the armed Forces. The stream of retrenchment is now diminishing and it is probable that the limit has been reached unless there is to be a reduction of troops; but there can be no doubt that the limit would have been reached far earlier but for the "Contract spirit". It would be most unwise to terminate a system that has demonstrated its value in such a practical way.

9. A common line of criticism, especially since the introduction of the Contract system, has been that the Finance Member has no real say in the regulation of Defence Expenditure. "The toad beneath the harrow knows, exactly where each tooth point goes"—and those who are aware of the facts, without in any way desiring to compare the Finance Department of the Government of India with the agricultural implement or themselves with the animal in question, can only stand amazed at such an indictment. The fact is that the association of the Finance Depart-

ment with the financial administration of the Defence grants is far closer and more detailed than in any other department of the State. Nor has that position been in any way affected by the Contract arrangement. The Military Finance Department, and the Military Accounts Department, although the latter is paid for from the Defence Estimates, are integral parts of the Finance Department of the Government of India under the control of the Finance Member; and the Director of Army Audit is a subordinate of the Auditor General. The working of the whole of this organisation is based on the fundamental principle of joint responsibility on the part of the administrative and financial authorities for the correct and economical expenditure of the grants made; and these, in turn, are limited by the total resources at the disposal of the Government of India and the other demands made on those resources. The representatives of the Finance Department work in continuous and intimate touch with the administrative authorities and, by reason of their dual function, as advisers to these authorities on the one hand and as watch dogs of the Finance Department on the other, they are brought into consultation at the earliest stages of every proposal for expenditure. The Financial Adviser who is a Joint Secretary to the Government of India in the Finance Department, has the right to require that any particular proposal should be submitted for the orders of the Finance Member; and periodical reviews of the progress of expenditure are submitted to that authority throughout the year. The Defence Estimates themselves, though the expenditure is not votable, are never withheld from discussion by the Legislature; and the annual review of the Accounts prepared by the Financial Adviser, together with the Report of the Director of Army Audit and the remarks of the Auditor General thereon, is submitted to the examination of the Military Accounts Committee, which is presided over by the Finance Member, contains three members of the Assembly and reports to the Public Accounts Committee.

10. None of these safeguards has been destroyed by the Contract system; in fact a primary feature of the arrangement was that "there can be no alteration in the existing financial regulations and the machinery for enforcing them. \* \* \* The functions and powers of the Finance Department, exercised through the Financial Adviser and his assistants, must remain unimpaired". The only difference in practice is that the tendency, which is not uncommon in other Departments, to put forward proposals for expenditure and throw upon the Finance Department the onus of rejecting them has been very materially reduced. Under the present system all proposals for "new" expenditure are sifted at a meeting of the Principal Staff Officers at Army Headquarters, instead of being put forward independently and at irregular intervals by, say, the Quartermaster General or the Adjutant General to run the gauntlet of financial criticism. The proposals are examined together, with reference to the amount likely to be available for "New Demands"; the administrative authorities themselves settle the order of preference; and the Military Finance Branch is not ordinarily called upon to examine a particular proposal in detail until it has passed this test. The saving in work is very considerable. Similarly, there is some practical decrease in the number of cases that have to be submitted for the orders of the Finance Member, because demands for "new" expenditure are generally limited to items in the programme already accepted by the Government and individual measures which form part of that programme no longer require acceptance as a matter of policy.

## IX.—SOME POSITIVE ARGUMENTS IN JUSTIFICATION OF DEFENCE EXPENDITURE.

To conclude this set of articles an attempt must be made to answer the criticism that expenditure on Defence is a mere dead weight borne by the Indian taxpayer as an insurance against external aggression or internal disorder and that much of it, owing to its eventual destination, constitutes a perpetual drain on the national resources.

2. As an illustration of this type of criticism may be quoted the following extract from Sir Walter Layton's report on Indian Finance included as Part VIII in Volume II of the report of the Indian Statutory Commission (Simon Report):—

"It is to be remembered that the extent to which taxation is felt as a burden depends very largely on the objects on which a Government spends its revenue. Thus, it has been frequently pointed out that taxation for the purpose of paying interest on an internal debt is, economically speaking, a transfer of wealth within a country, which may—it is true—hamper enterprise, if the method of raising the revenue is unwise, but which need not do so or affect the total saving power of the community. Again, wise expenditure on social services, and particularly on health and education, should be remunerative in the sense of increasing the wealth-producing power and, therefore, the taxable capacity of a country. Security is, of course, essential, if production is to develop; but it cannot be claimed for expenditure on defence either that it is a mere redistribution of income or that it promotes productive efficiency. Indeed, economically speaking, it is the most burdensome form of expenditure, and this is particularly the case where, as in the case of India, the Army contains a large element drawn from elsewhere. If, therefore, the high "defence ratio" in Indian Government expenditure is partly due to the low level of other expenditure, it remains a peculiarly burdensome one, and it would be reasonable to assume that, even if the total expenditure of India were increased, the burden would be more tolerable and more readily borne, provided this particular charge were diminished."

2. The substance of the complaint may be said to be that expenditure on Defence in India is peculiarly burdensome because:—

- A. The Army in India contains a large element drawn from elsewhere.
- B. The expenditure produces no social or, as Indian critics usually put it, "nation-building" value.
- C. The expenditure does not promote productive efficiency.
- D. The expenditure is not even a mere redistribution of income and must therefore be ranked, in point of burdensomeness, even below payment of interest on internal debt.

It has already been granted that Defence expenditure is primarily an insurance premium and no one will deny that some such insurance is necessary; but it by no means follows from that admission that it is nothing but a dead-weight on the taxpayer.

An attempt will be made in the succeeding paragraphs to give short answers to these four main lines of criticism.

3. *A. The Army in India contains a large element drawn from elsewhere.*—The essential point is not the source from which the personnel of the Defence Forces are drawn, but the ultimate destination of the money that is spent upon them. Taking the total gross expenditure of the present day at the round figure of Rs. 50 crores, it has been estimated that Rs. 37½ crores, or 75 per cent., are finally spent in India and only Rs. 12½ crores, or 25 per cent., outside India. Of the Rs. 12½ crores spent abroad, India receives full value for Rs. 5 crores in the shape of stores or trained personnel unprocurable in India; the balance of Rs. 7½ crores, for which no direct return is received, is made up of pensions, leave charges and the remittances for educational or other domestic purposes made by individuals serving in India. It is true, of course, that a reduction in the British element of the armed forces would gradually effect a reduction in the sums that so leave India; nor is it denied that those sums are in themselves considerable. How the present policy of Indianisation will automatically involve some such reduction has already been explained; nor is it necessary here to repeat the arguments against an immediate acceleration of the process. On the other side of the account, however, must, in fairness, be taken the very large amounts of British capital invested in India, not, perhaps, to any great extent, by the members of the Defence Forces themselves and their families—they are not counted among the rich—but by those whose confidence in India rests largely on the stability that the presence of these Forces has ensured.

Returning for a moment to the expenditure on imported stores, it is of interest to compare the position as it stands today with the state of affairs before the war. In 1914, 37 per cent. of the ordnance and clothing stores required for the Army in India were purchased abroad, whereas the percentage in 1931-32 had fallen to 11 per cent. Today practically 100 per cent. of the requirements of lethal stores are manufactured in India, that is to say guns, rifles, machine guns, ammunition, etc. Seventy-two per cent. of other stores, such as clothing, foodstuffs, constructional materials and petrol, and 63 per cent. of the Army's Medical Stores are manufactured or purchased in India; and aircraft and mechanical transport vehicles are the only large items that have to be imported. These figures are sufficiently remarkable. They may be improved as time goes on. But, as previously pointed out in dealing with the expenditure on mechanical transport, the improvement is bound up with the development of Indian industries and depends largely on the enterprise of Indian industrialists themselves. The development of this feature has yet another effect. The necessity of guaranteeing supply in war demands that reserves of very many commodities should be kept in peace, thus tying up much capital and costing money in maintenance and turnover. When therefore the supply of a commodity from indigenous sources after mobilisation can be guaranteed much money can be saved. Such possibilities are under continual review.

4. *B. Defence expenditure produces no social or "nation-building" value.*—We have already had occasion to notice that, in the political sense of the word, the armed forces may claim a very high position in the list of "nation-building" departments; and it may be observed, in passing, that service in these forces develops the virtues of courage, sense of duty, obedience and co-operation. The Indian soldier, as a

general rule, is better fed, better clothed, better housed and better educated than he would be in his own village. He leaves the Army a better citizen than when he entered it; and he is instrumental in promoting a higher standard of physique and a higher standard of living in general. The present criticism, however, refers in particular to the contention that Defence expenditure possesses no social value in the matter of health and education. A criticism of this kind reads curiously in the light of complaints made by other critics, who may say to-day that the Medical and Educational expenditure of the Army is excessive, compared with the lower standard that is available to the civil population in general, and who may yet declare to-morrow that the one object of the Army is to confine recruitment to the uneducated classes and exclude from its ranks those who have attained, as a community, the benefits of learning.

The plain fact is, so far as Education is concerned, that the Rs. 37 odd lakhs which find a place in the annual budget for this purpose are sufficient, but no more than sufficient, to discharge the responsibilities of the Army towards their own people. If it came to a question of value for money, it might with some justice be claimed that the return is higher in the Army than it is in some Provinces. It was, for instance, recently brought to the notice of a particularly progressive local Government by their own educational adviser that a very large proportion of the boys attending elementary schools never rose above the first standard, that each school was contributing less than two really literate boys per year, and that a large amount of the expenditure was therefore yielding no practical result. Apart from this, it might also be claimed that the value of some of the educational institutions maintained by the Army extends far beyond their own immediate needs. The King George's Schools, for instance, for the sons of Indian soldiers, provide a model that might well be copied by local Governments and non-official bodies; and, above all, the Prince of Wales's College at Dehra Dun has given practical effect to an idea, which has for many years found favour in theory with Indian opinion, and has demonstrated the possibility of running an institution successfully in India on British Public School lines. Many of the boys at the College do not adopt the Army as a career; and the example of this College may have an important effect on the development of educational institutions in India.

5. So far as the Army Medical Services are concerned, there is much that could be said. The military community is in the main composed of a selected healthy male population. They are in consequence subject to the acute infective type of disease rather than to the more chronic types of illness common especially among the older members of the civil population. On the other hand, infectious diseases ravage the civil population to an even greater extent than they do the military, and the work of military doctors in these fields has been of enormous benefit to the community as a whole. Only a few examples are necessary. Leaving out of account the many outstanding achievements of I. M. S. officers in civil employ, the discoveries of the late Sir Ronald Ross in the sphere of Malaria were not merely of military, nor even of national, importance. Their results have had a world wide value and have done much to reduce human suffering, to render habitable tracts of territory hitherto denied to human occupation, to carry out projects, (as for

example the construction of the Panama Canal) which had previously been tried and had failed because of the excessive incidence of the disease, and in general, to raise the standard of life in the tropics. Of recent years attention has been focussed on the treatment of malaria by synthetic drugs which are more thorough in their action than quinine. Here again the Military Medical Services lead the way and the course of treatment which they have devised in India has been accepted by the manufacturers of the drugs and is recommended by them throughout the world as the most satisfactory treatment.

6. The conception of mass inoculation against typhoid fever, the research work connected with the selection of suitable bacterial strains, and the evolution of the vaccine were entirely military in origin. This work saved countless lives during the war, and inoculation is a measure of protection now widely adopted by the more enlightened inhabitants of countries in which enteric fevers are endemic.

The organism which causes Kala-azar was discovered by Major W. B. Leishman, R.A.M.C. (the late Sir William Leishman). His discovery led to years of research which have produced effective methods of treatment and have elucidated the method by which the disease is transmitted.

These, while probably the more important, are but a few of the many instances in which military research has proved of vast importance to the community at large. If no mention has been made of recent work, it is because the value of such work can only be appraised after the test of time has proved its value. Much research is, however, in progress in subjects such as dysentery, enteric fevers, tropical typhus, sandfly fever, diphtheria, heat-stroke, etc., the results of which will be of general importance.

7. Then again, in the sphere of hygiene, the methods of application evolved by military officers have in many instances served as models to the remainder of the community. Anti-malaria work is a good example. For many years military hygienists ploughed a lonely furrow and much of their work was vitiated by proximity to insanitary areas beyond their control. Slowly the good example has won the day, and now more and more municipal authorities are co-operating in an endeavour to bring their areas up to the same standard. The ultimate benefit is almost incalculable.

The process of water sterilisation by the addition of chlorine in one form or another has been developed to its present standard largely through the experiments of military hygienists. The process has been adopted in many places in Europe, as for example in London, where much of the water supply is now treated in this way. In India communities which have followed the military example and provided themselves with a sterilised water supply have completely eliminated that fatal disease, cholera, which in the more backward parts of the country still takes its heavy annual toll.

"Example is better than precept", says the old proverb. Throughout India are military garrisons and cantonments which serve as models for those who wish to copy, and the standards which they set up cannot fail in time to have a far-reaching influence on the community at large, and to promote in the most effective way its social well-being.

8. *C. Defence expenditure does not promote productive efficiency.*—A sweeping statement of this kind is demonstrably untrue. The promotion of productive efficiency is not, of course, one of the primary objects of the Defence Forces; but many of their activities do make a substantial contribution towards the material prosperity of the country. A few examples may be given. Were it not for the efforts of the military authorities, the Horsa and Mule breeding industry might well have become extinct in India. The primary object of this section of military expenditure is, no doubt, to make India as self-supporting as possible in the matter of the supply of horses and mules for Army requirements; but the breeding operations of the Remount Department involve the production of a certain number of animals which do not quite come up to the standard required. This surplus stock is absorbed by the civil population and supplies a definite civil demand. The horse breeders rely on the sale of their stock, either to Government or in the open market, and much of the money so received returns to Government in the form of land revenue or other dues.

9. Then again, there are the operations of the Grass and Dairy Farms, which though primarily directed to ensuring in peace and war an adequate supply of fodder for Army animals and pure dairy products for military personnel, have actually attained a wider range of public utility. The scientific methods of cultivation employed by the Grass Farms Department have been of direct benefit, by way of example, to the Indian cultivator; and the Okara Farm in the Punjab in particular may be quoted as a model institution. Military Dairies have stimulated the demand for pure milk and butter and are doing much to bring into existence a new Indian industry, which is now trying to supplant its progenitor. Many useful experiments have been carried out with imported breeds of cattle and their crossing with Indian stock. These have been of direct value to Indian agriculture, and many of the calves bred on the Farms are given away to local zemindars, who use them for breeding with positive benefit to their own herds.

10. The Royal Air Force in India, apart from the fact that their services in peace are utilised by many Departments of the Government for purposes other than defence—for example, for survey work, for conveying flood warnings, for the carriage of officials and mails, etc.—have taken a direct share in promoting the material prosperity of the country. R. A. F. landing grounds and air routes have greatly facilitated the growth of civil aviation: meteorology has received a direct impetus with benefit to the community at large; and there are Indian industries—such as the production of Benzol—which owe their existence almost entirely to Air Force requirements.

11. Finally, there is the very large contribution made by the Army and R. A. F. Manufacturing Establishments towards the productive efficiency of the country. Not only do they aim at making India self-supporting in the maintenance of her armed forces, but they have done much to train workmen in the use of up-to-date machinery and methods, to make the greatest possible use of indigenous materials and to set high standards of welfare for the labour that they employ. The Army Factories employ some 12,000 to 13,000 Indian workmen, the Arsenal and Ordnance Depots about 5,000 labourers (some of whom are skilled)

and 8,000 artificers and the Royal Air Force about 600 skilled and semi-skilled labourers. The training that these men receive must be of great value to the community at large; and the provision made, for their housing, education and health, combined with the attention paid to the development of co-operative societies, clubs and recreational facilities, affords an example to similar concerns. The Army are also now making efforts to train Indian personnel of higher social status in the engineering and allied professions by apprenticeship schemes in Ordnance Factories and Arsenals.

\*12. *D. Defence expenditure is not even a mere redistribution of income and must therefore be ranked, in point of burdensomeness, even below the payment of interest on an internal debt.*—This criticism, it will be noted, is not concerned with productivity. It deals with expenditure in its lowest form, namely, the mere transfer of wealth from one pocket to another within the country, and in this respect it rates Defence expenditure as lower and more burdensome than payment of interest on internal debt. Now nearly 70 per cent. of the total expenditure on Defence is paid out direct to members or *ex*-members of the Defence Forces in the form of pay, allowances and pensions. In addition, substantial sums are paid out to labourers, either directly in factories and other manufacturing establishments or indirectly through contractors; and there are other classes of persons to whom payments are made, such as house owners. If these payments which amount probably to several crores, are added to the payments to the members of the Defence Forces, the total will amount to about 80 per cent. of the whole expenditure. The criticism therefore amounts to the astounding proposition that money paid to a soldier or an *ex*-soldier or to a private individual or a labourer in return for services rendered to the Defence Forces *ipso facto* becomes sterilised. Such a conclusion is absurd. It has already been shown that most of the money that goes on pay and pensions is spent in India and the recipients may be presumed to spend their money in approximately the same way as any other citizens resident in India. The most that need be admitted is that the money converted into lethal munitions of war is in a sense sterilised; but even this expenditure creates employment and the amount in question does not much exceed Rs. 1 crore, and therefore represents a very small fraction of the whole. Having regard to the facts given above and to the large number of persons among whom the payments of the Defence Forces are distributed, it is reasonable to claim that Defence expenditure, so far from being sterile, constitutes one of the largest and most effective media in India for keeping money in circulation.