New initiatives in Defence with far-reaching impact have been taken by the Government in the past one year. POKHRAN-II on May 11-13, 1998 took India into the select group of nuclear weapon states. The declaration of moratorium has underlined India’s concern for global peace. The constitution of the much awaited National Security Council, besides fulfilling the commitment made in the National Agenda, showed the Government’s priority to national security issues. In several other fields, Government’s moves struck new notes from the beginning.

**Defence Committee**

In one of his very first acts, the Defence Minister, Shri George Fernandes revived the Defence Minister’s Committee after more than 20 years. Presided over by him, the Committee consisting of the three Service Chiefs and senior officials of the Defence Ministry, meets once a month and helps in prompt decision-making. It also enables the Services to participate in decision-making more effectively. The Minister’s weekly meeting with Service Chiefs and senior officials of the Government for a broad overview of national security issues has also been regularised.

**Defence Budget**

An amount of Rs.45,694 crore has been provided for defence expenditure in the Budget for 1999-2000 as compared to Rs.41,200 crore in the revised estimate of 1998-99. The Finance Minister has asserted that further need-based budgetary support will be provided during the course of the year.
Restructuring

Measures having a bearing on the re-organisation of the Ministry of Defence have been initiated. In a move of major implication for the future, Shri Fernandes has suggested reforms in the Armed Forces, as the nature of modern weapon systems is increasingly transcending single service boundaries and the fighting capabilities of the future will involve use of assets of the three Services under integrated direction and command. The Defence Ministry has also been delegating financial powers to the Services. The delegation covers the Army, the Navy and the Air Force and includes areas such as construction work, purchase, repair, maintenance and information technology.

Siachen

Several measures have been taken for improving the conditions of the troops deployed in Siachen, the highest battle-field in the world. The Siachen Allowance has been raised to Rs.4667 for JCOs and ORs and Rs.7000 for officers per month compared to Rs.2000 and Rs.3000 recommended by the Fifth Pay Commission. The Defence Minister who made several visits to Siachen for a first-hand account of the difficulties faced by the troops, has also cleared a package of welfare measures including upgradation of hospital facilities, transportation of fresh food articles, provision of weapons and equipment and travel concessions. Meanwhile, Defence Secretaries of India and Pakistan held talks on Siachen on November 6, 1998 in New Delhi. It was decided to continue such talks in the future.

North-East

Shri Fernandes’s visits to the North-East have been followed up by a series of welfare measures like liberalised field area allowance and increased leave travel facilities including conversion of the weekly Assam Courier into a Bi-weekly and special railway coaches for the troops. Giving emphasis on the development of backward regions and bringing people there into the mainstream, he has announced increased recruitment into the Armed Forces from the North-East and has directed that more local products be purchased by the Services to give a boost to the local economy. Instructions have since been issued for purchase of certain items exclusively from khadi, village, small-scale and cottage industries.
Army in Counter-Insurgency

The Army has played a pivotal role in countering insurgency in J&K and North-East. In various operations executed by the Army in J&K, a total of 727 militants were killed last year and 112 in the first two months of this year. The number of apprehended militants was 298 last year and 33 so far this year. Another 110 militants surrendered last year and 15 this year. Besides, a large amount of arms and ammunition were seized. The Army has also foiled more than 87 attempts of infiltration and exfiltration in J&K last year.

Agni

The Government has approved the development of the Second Phase of AGNI. This follows successful completion of the Phase-I of AGNI during which three tests were conducted demonstrating re-entry technology.

The PRITHVI missile of the Defence Research and Development Organisation (DRDO) has already been inducted. The other missiles of DRDO under its Integrated Guided Missile Development Programme are in various stages of development. The short range surface-to-air missile TRISHUL is in the final stage of development tests. The medium range surface-to-air missile AKASH and the third generation anti tank guided missile NAG are entering the final stage of guidance flight trials.

DRDO Awards

The Defence Minister has instituted 44 annual DRDO Awards with a total value of Rupees one crore. The objective is to honour the scientists and technicians and encourage them to strive continuously for excellence. The first awards for 1998 were announced in January this year. The recipients include the scientific team of SHAKTI-98 from Department of Atomic Energy and DRDO and the scientists of the PRITHVI missile system.

Defence Cooperation

India and Russia signed a long-term agreement on military technical cooperation extending the present agreement by a decade till 2010. It also
envisages partnership in research, development and joint production of sophisticated weapons.

The Defence Minister's visit to France from January 11-14, 1999 underscored mutually beneficial bilateral cooperation in Defence in a long-term perspective, covering strategic dialogue, defence research and production and relations between the armed forces of the two countries.

Welfare Measures

Welfare measures for the troops and providing them with the best of equipment has been a major concern of the Ministry of Defence. Shri Fernandes' visits to various Defence locations in difficult areas have resulted in several steps for ameliorating the conditions of the troops and increasing the facilities. The long pending One Rank One Pension issue is expected to be resolved soon. The notification on the two-year increase in retirement age of the Armed Forces personnel has been issued with effect from May 30, 1998.

Project Seabird

The Defence Ministry and the Karnataka Government have signed a Memorandum of Understanding on the rehabilitation of the affected families clearing the way for Project Seabird at Karwar, Karnataka. The project though conceived in early Eighties was held up first by lack of funds and then by the problem of rehabilitation.

Air Defence Ship

Ministry of Defence and Ministry of Finance have approved the proposal to build an indigenous Air Defence Ship (ADS). The proposal is being processed for further appropriate clearance. The estimated cost of the proposed ADS alongwith spares would be about Rs.1700 crore.

Interface with Industry

The Defence Minister took the initiative for an interface with the Confederation of Indian Industry (CII). Six joint task forces between industry Contd....5/-
and the Ministry of Defence have been set up in key areas. DRDO has decided
to open Defence Laboratories to the private sector in the areas of dual use of
technology for Defence and civil applications, bio-technology products and
software engineering.

**Women Officers**

The Indian Navy has opened all its branches for women officers. The
Cabinet Committee on Security took the landmark decision on August 19, 1998.

**Exercises**

The three Services conducted TRIAMPH-98 Exercise. The Army and
the Air Force participated in Exercise SHIV SHAKTI. In April 1998, the Air
Force alongwith the Army and the Navy held a spectacular Fly Past at Mumbai
to commemorate the Golden Jubilee of Independence. The Air Force
demonstrated its FIRE POWER at VAYU SHAKTI-99 with about 90 frontline
combat aircraft and helicopters at POKHRAN on March 7, 1999. India’s
International Air Show, the AERO INDIA-98 was successfully organised at the
Air Force Station, Yelahanka, Bangalore from December 8-12, 1998 in which
110 international companies from 17 countries participated.

**UN Peace Keeping Operations**

The Indian Army has contributed a total of 800 personnel of all ranks for
UN Peace Keeping Operations in different parts of the world, viz., Kuwait with
5 personnel in July 1998, Sierra Leone with 21 personnel in July-August 1998,
Angola with 157 personnel in August 1998 and Lebanon with 617 personnel in
November 1998.

**Improved Army Communications**

On 15 February 1999 the Army provided communication facilities to six
villages around Kargil to enable local people to contact the Army and civil
authorities whenever necessary. Earlier the communication facilities in Siachen
Glacier were improved with the operationalisation of STD facilities.

**Aid to Civil Authorities**

The Army and Air Force provided exemplary service in aid of civil authorities
in the wake of landslides at Malpa. Retrieval of bodies, evacuation,
construction of tracks and provision of communications, rations and fuel were
some of the tasks performed by them. The Services also provided invaluable
help to the cyclone-hit areas of Gujarat and flood victims of Andhra Pradesh,
Uttar Pradesh, Bihar and West Bengal. The Air Force help to civil authorities
increased manifold last year with almost five times rise in total number of
sorties and nine fold rise in the load airlifted compared to the previous year.

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