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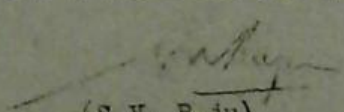
"The Budget is a victory for Communist China," declared Mr. M.R. Masani, General Secretary of the Swatantra Party, while addressing a public meeting on the Union Budget at Napoo Gardens this evening. "This is exactly what the Chinese aggressors wanted us to do," he said, "to enter into an arms race with them in isolation from our friends and potential allies so that our economy may be shattered and their Fifth Column here can nibble at our democratic institutions and our free way of life."

Questioning the assumption that the crushing burden of taxation embodied in the Budget was necessary to finance additional defence expenditure, Mr. Masani pointed out that the budget stipulated an increased expenditure on defence of Rs.332 crores compared with the previous year. Since about half of this would be in the shape of equipment and arms which could not be produced in this country and would have to be imported and since the U.S.A., Britain and others had offered to supply it without cost, there was no reason why the Indian taxpayer should be burdened to that extent. The balance of Rs.166 crores remained to be provided within India for the recruitment training and maintenance of additional manpower and for the construction of air-fields.

It had been estimated on high authority that, allowing for a rise of 15 per cent in industrial production in the coming year as against 11.6 per cent in a normal year, Central Excise and Customs could at the existing rates provide an additional Rs.150 crores, income-tax an additional Rs.8 crores and corporate taxes an additional Rs.22 crores. Along with a further Rs.20 crores from voluntary contribution that industry had agreed to make and yet another Rs.20 crores from the Emergency War Risks Insurance Scheme, there would have been a total of Rs.220 crores available as against the requirement of Rs.166 crores.

It was thus clear that the inspiration for the Budget comes not so much from the need to defend the country against the Chinese communist aggressors but from the inhibition against taking military assistance from the Democracies and a perverse adherence to State Capitalism which had already brought disaster to the country. The people of India will now have to pay for the mistake they made at the time of the last General Elections in February 1962.

Mr. N. Dandekar and Mr. R.V. Murthy also spoke. Mr. Piloo Mody presided.


(S.V. Raju)
Swatantra Party, Central Office