

# Indian budget sharply increases military spending

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India's BJP-led government has sharply hiked military spending in its first budget. Tabled June 1, the budget increases military expenditure by 14 percent, to \$12.4 billion—about 19 percent of the Union government's total spending. Meanwhile, the budgets of two military-related departments, the Atomic Energy Commission, which is in charge of India's civilian and military nuclear programs, and the Department of Space, which supervises India's missile program, were raised by 68 and 62 percent respectively.

Finance Minister Yashwant Sinha said he would return to Parliament to seek authorization for further increases in military spending should the government decide to take its nuclear program a step further and arm Indian missiles with nuclear warheads. Last month Defence Minister George Fernandes said "weaponization" was "necessary" and "inevitable."

Sinha and other BJP spokesmen tried to take the edge off criticism of the government's priorities by pointing to significant percentage increases in spending on education, health and anti-poverty programs. But the total expenditure on education, health and social programs, about \$2.6 billion, is only marginally higher than the amount to be spent on new tanks and other weapons. According to the government's own figures, barely 50 percent of India's adult population is literate, almost 200 million lack access to clean water and more than 300 million survive on less than 50 cents per day.

As expected, the budget outlined plans for large-scale privatizations and the opening up of the insurance sector to foreign investment. The previous United Front government announced similar plans, but was unable to proceed because of popular opposition to the massive job cuts they entail.

To the surprise of most observers, the budget made no provision for the impact of the sanctions imposed by

the US, Japan and several other Western powers in protest against the Indian government's detonation of five nuclear devices last month. Many are predicting that a supplementary budget will be necessary.

The BJP government's nuclear tests and threats against Pakistan over Kashmir have been largely aimed at consolidating power in New Delhi, both by projecting itself as the defender of the "nation" and diverting attention from wrangling amongst its coalition partners.

In the immediate aftermath of the nuclear tests, the government did benefit from a groundswell of popular support, with virtually the entire political opposition joining in the accolades. But in recent days the government has again staggered. First, its razor-thin parliamentary majority was placed in question when a regional ally in West Bengal, the Trinamul Congress, announced it was suspending support for the government. It did so in order to press its demand for the Union government to invoke emergency constitutional provisions and sack the Communist Party of India-led state government. Subsequently, the finance minister caved into public pressure and slashed the nearly 4 rupee hike in petrol prices announced in his budget to 1 rupee.

In Pakistan, meanwhile, the finance minister has vowed to slash all "non-development" spending, so as to increase spending on the military which already, along with debt payments, consumes the lion's share of the national budget.

The prospect of a fourth Indo-Pak war and a nuclear arms race in Asia has prompted a flurry of diplomatic activity by the major capitalist powers. However, at every point their efforts to contain the crisis have been hobbled by their attempts to use it to bolster their own claims for influence in South Asia. France has called

for a meeting of all seven acknowledged nuclear powers. Japan has offered to sponsor talks on the Kashmir question. The US, meanwhile, is putting stock on a meeting of representatives of the five permanent members of the UN Security Council.



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