

Preface

We have pleasure in presenting this, the third Liberal Budget for the budget year 2006-07. Unlike the first and second Liberal Budgets which were released on the eve of the Union Budgets in 2004 and 2005, we place before you the third Liberal Budget (LB3) three months ahead of the 2006-07 Union Budget. Actually, while we were in the last stages of crafting LB3, came news reports that the Finance Ministry intended to begin the exercise of ascertaining the views of various sections of the public beginning November, close the discussions in December and get to work on the Union Budget for 2006-07 in January. We are therefore very much on time, this time.

We thus have a fair chance of engaging public attention and placing the Liberal point of view before the public, the planners and policy-makers. We would like to assert that our views are based on a commitment to the reforms process. The demand for the opening up of the economy has been on the Liberal agenda from the time the Second Five Year Plan way back in 1957, when the then Planning Commission decided to embrace State Capitalism and perch the State on the 'Commanding Heights of the Economy'.

Unmindful of the fact that their brand of development only led to the pauperisation of nations and peoples including India the communist 'Left' has been working overtime to scuttle the reforms process, to fulfil their own political agenda.

In our preface to the second Liberal Budget (LB2) we had given expression to our fears about the Left's designs. Pointing to the secondary title to LB2 "The Way Forward", we wrote *inter-alia* "The secondary title to this year's Liberal Budget ...is to remind policy-makers that strident 'Left' criticism should not deter the government from going ahead with the reforms and to remind them that while the Liberal voice may not be strident, it is supportive and qualified to speak on the merits of a market economy. The Liberal voice is the voice of reason and rationality and hence superior to the criticisms based on obsolete ideologies which are not only irrelevant but counter-productive."

We therefore demand that we be taken seriously!

Our fears have been borne out by the obstructive tactics of the so-called 'Left' which has, time and again held the United Progressive Alliance (UPA) and its government to ransom and much needed reforms have gone abegging.

But neither the Left nor anybody can stop the enterprising Indian from going ahead, so much so that our entrepreneurs are everywhere; our educated young men and women are in demand across a wide spectrum of business and industry within the country and abroad. All that was needed was for the fetters of socialism to be removed. And when that happened there was no stopping us.

India's objective say many, is to be a global power. These persons are looking at the wrong end of the stick. For the Liberals the objective is a prosperous India. If the Reforms process translates itself into a better life for our people particularly those in rural India where 70% of India live; if our farmers are no longer compelled to contemplate suicide as a way out of their indebtedness; if we no longer have starvation deaths; if India enjoys medical care of world standard; if our education is not only universal but of high class quality; if we have world-class infrastructure, then we can say with some degree of legitimacy that we are indeed on the road to become a global power. LB3's suggestions are a few steps in that direction.

We shall be happy to receive your critical comments on this document. The Liberal has an open mind and thrives on discussion and debate. If you find LB3 not meeting with your approval then tell us why and how we should improve this effort. If you approve of what is contained in this document then spread the good word and introduce us to your friends.

The composition of the Drafting Group and the many who pitched in with their contribution are listed on page 2. The Project for Economic Education and the Indian Liberal Group are grateful to them for finding the time, despite their busy schedules to produce this document. It is their expertise in their respective areas of specialisation that has lent quality and credibility to this document. For them it has been a labour of love.

We are grateful to the Friedrich Naumann Foundation and the Press Institute of India for their encouragement and assistance in the task of producing LB3.

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