

INDIA: Pre-Independence BUDGETS

BASED ON
GOPAL KRISHNA GOKHALE'S SPEECHES
IN THE IMPERIAL LEGISLATIVE COUNCIL

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INDIA : Pre-Independence Budgets is based on Gopal Krishna Gokhale's speeches in the Imperial Legislative Council. For scholars of Indian economics it makes really an interesting study because otherwise there is dearth of material on the pre-Independence economy. For understanding the relevance of the post-Independence India's budgets it is worthwhile to go through the economic policies of the British rules of India' especially in the beginning of 20th century.

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Pre-Independence
BUDGETS**

**Based On
GOPAL KRISHNA GOKHALE'S Speeches
in the Imperial Legislative Council**

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CONTENTS

Budget Speech 1902	1
" 1903	34
" 1904	62
" 1905	80
" 1906	105
" 1907	127
" 1908	147
" 1909	165
" 1910	184
" 1911	193
" 1912	203

Publishers' Note

The budget as an institution has lost its fervor and sanctity that it enjoyed in olden days. Speaking historically, democracy in England took its birth just from a crude procedure of taxation and collection of funds by the king through his henchmen. When questioned on the use or misuse of these funds, the king granted to the common man a right to elect his own representative to Parliament to guide the administrators in money matters. This lent a most important status to money bills. That is why all such bills can be introduced only in the House of Commons in England and as a follow-up practice Lower Houses of all parliaments of the world except in the USA where its Upper House, the Senate, has the prerogative to discuss bills relating to matters financial.

Budgets speak of the entire economy of a country, the fiscal policies of a Government and, for that matter, the whole gamut of a country's economic culture. In India it was only in the post-independence period that the budgets started losing their influence.

The nationalisation of life insurance business just five weeks before the 1956 budget had stunned economists. Banks were likewise nationalised around the budget session of parliament. In fact, all major decisions concerning fiscal management are taken only before or after the budget and not during it. The rates of petrol, the postal tariff, the rationalisation of railway fares etc. etc. have all been enforced as irrelevant to the budget completely.

In the last one or two years important levies like excise duties and other forms of major taxes are being resorted to after or before the budget sessions.

So the budgets have become almost meaningless. This is the state of the Indian economy now: But what about the pre-Independence period? The budgets then were linked with a certain code of discipline with which the British Government

administered our economy. How dreamy it looks now that the Indian members of the Imperial Legislative Council criticised the Government particularly for its defence expenditure and import and export policies. - Despite the fact that India was building up its sterling balances quite commendably, Indian economists and Indian members of the Imperial Legislative Council always thumped the tables denigrating the economic policies that the British government pursued. Gopal Krishan Gokhale was one such most towering personality who in the beginning of the twentieth century led a tirade against the fiscal policies of the alien government. He was clapped, bucked up, cheered always during his speeches in the Imperial Legislative Council. It is with a view to bringing the reader face to face with economic thinking prevailing in those days, represented especially by Gokhale, that we are presenting this book to students of economics and the lay man, alike.

The Pre-Independence India's budgets if studied in context with the budgets as of today make an interesting reading.

SANDEEP LAL