

The Delhi University Publications—No. 3.

# INDIA'S NATIONAL FINANCE

## SINCE 1921

Sir Kikabhai Premchand Readership Lectures  
Delivered in 1932 at Delhi University

BY

Prof. V. G. KALE, M.A.  
Fergusson College, Poona



UNIVERSITY OF DELHI

1952

FINANCES OF THE GOVERNMENT OF INDIA  
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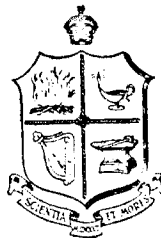
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## PREFACE.

THE following pages contain the substance of the series of the Sir Kikabhai Premchand Readership Lectures which, under the auspices of the Delhi University, I was privileged to deliver in February and March this year. The subject prescribed for the lectures was "the Finances of the Government of India since 1921"; and as coincidence would have it, it had to be discussed at a time when the Government and the Legislature of India were called upon to deal with one of the most critical situations in the history of the national finances of the country. My previous investigations had already taken me over a few important stretches of that history ("Gokhale and Economic Reforms" 1916, "India's War Finance and Post-War Problems" 1919 and "The Dawn of Modern Finance in India", 1922,); and now these Delhi University Lectures have enabled me to bring those studies up-to-date. I am deeply indebted to the authorities of the Delhi University for having given me this opportunity of reviewing the development of the national finances of India during the last eventful decade.

The ten years 1921-31 witnessed remarkable vicissitudes in the fortune of India's finances. The period opened and closed with a "crisis," and only five years between the two ends were comparatively free from disturbing conditions. I have attempted, in the following pages, to give a connected account of the origin of the crises and of the passage of the one into the other, showing how the transition took place, at each stage. The situation, as it developed, has been analysed at every important step, and the changes in and the working of the various factors involved, have been carefully explained. Thus the course of events with respect to the different aspects of national finance, such as revenue and expenditure, taxation and public debt, currency and exchange, railway finance and provincial finance, has been traced in detail and the total effect of these on the condition of the people has been indicated. The relation between the internal state of affairs and world conditions has been constantly kept in view, and Government's Policy underlying the management of the nation's finances has been explained and criticised. Ample statistical material has been supplied throughout so as to facilitate exposition and understanding.

Post-War years have been a period of extreme difficulty for almost every nation in the world owing to the general political and economic instability as well as financial disequilibrium. India had her full share in these troubles. We have had, besides, our special conditions and special problems to face. I have thrown the searchlight of close scrutiny on these developments and subjected Government's measures and policy with respect to them, to free and full criticism, having considered financial administration from the point of view of national interest and popular well-being. The crisis with which the decade under review closed, is still with us; and constitutional changes of a far-reaching character which have their repercussions on the system of national finance and the political effects of which on financial conditions are unmistakable, are impending. It is hoped that, in these circumstances, the scientific and practical treatment of a theme of such paramount importance, adopted in this book, will appeal both to the students of finance and to the wider reading public interested in the subject.

“Durgādhivāsa”, Poona 4.  
1st October, 1932.

V. G. KALE.

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