

= G.K. Gokhale was born at Kolhapur in May, 1866. His chief economic ideas were concentrated on financial control and financial administration in India. Below we present his main economic ideas :-

(i) Indian Finance :- In respect of Indian budget, Gokhale held that it should be passed item by item. He was not in favour of surplus budgets. He held that a policy of surplus budget was unsound. He believed that a surplus budget would demoralize even the most conscious govt. force resorting to wasteful expenditure. He was against using the budget surpluses for repaying the debt incurred for the construction of railways. Railways should meet its debt commitments from its own income and not from the proceeds of taxation.

(ii) Decentralisation of power :- He advocated decentralisation of power. He suggested the creation of panchayats at the village level and then local boards and the district councils. He suggested the creation of a council of members in the provinces to assist the governments. He held that the provincial legislation should discuss important matters relating to finance and the budgets.

(iii) Land Revenue :- Gokhale suggested certain reforms in land revenue system also. He suggested that in the Ryotwari

areas, where the cultivators paid revenue directly to the govt., the revenue should not be more than 20% of the public gross produce.

① public expenditure :- Cokhale was highly critical of large increase in public expenditure. He pointed out that India's monetary resources were mis-spent in extending northern and north eastern frontiers and in using troops for imperial purposes. So, he emphasised the need for controlling public expenditure in India. He suggested following remedies to check the growth of public expenditure in India :-

① The expenditure should be incurred with a spirit of economy. It should not be allowed to exceed the normal revenue except under conditions of war, famine etc.

② Military expenditure should be cut down and the size of the army should be maintained to the extent of Indian requirements.

③ More Indians should be employed in public services.

④ The audit of public expenditure should be made and it should be independent.

⑤ Education :- According to Cokhale, an illiterate nation could not make any progress. So, education facilities should be extended to all in the country at an imperial charge. Education must be considered at par with army and railways.

11) Trade :- Lohkale criticised free trade policy. He pointed out that a number of countries adopted protection for the growth of the economy. According to him, for the development of industries, protection was necessary.

Thus, it can be concluded that his ideas regarding public expenditures, financial reforms and fiscal administration were very useful and were mainly concerned with the eradication of poverty in India.