

Economic ideas of Jyotirao Krishna Gokhale

The main economic ideas of B.K. Gokhale are as follows:—

1. Indian Finance.
2. Decentralisation of Power.
3. Land, Revenue
4. Public expenditure.
5. Education.
6. Trade.

① Indian Finance: With regard to 'Indian Budget', Gokhale held the view that, it should be passed item by item. In such a case, people having sound knowledge of Indian conditions would get an opportunity to express their opinion on various items of expenditure. Gokhale was not in favour of surplus budgets. He held that a policy of surplus budget was unsound. He thought that a succession of surplus budgets would make the government indulge in extravagant expenditure. Gokhale

② Decentralisation of Power:

was against using the budget surplus for repaying the debt incurred for the construction of Railways. Gokhale suggested an equitable distribution of tax revenue between the centre and provincial government and local bodies.

② Decentralisation of Power: Gokhale was an advocate of decentralisation of power. He suggested the creation of Panchayats

employed in public services

at the village level and then local boards and district councils. He held that the provincial legislation should discuss important matters relating to finance and the budgets.

In 1896, the British Government decided to increase the duty on salt to meet the deficit of 1.5 million pounds which arose as a result of the annexation of Burma. Gokhale opposed this as it would place a heavy burden on the poor.

③ 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 government, the revenue should not be more than 20 percent of the gross produce.

④ Public expenditure: Gokhale was highly critical of large increase in public expenditure. Gokhale pointed out that in England and other countries, public expenditure was controlled by tax payers. But in India, there was no popular control over the public expenditure. The Indian tax payers had no voice over this matter. Gokhale observed that when power from the East India Company had been transferred to the crown, the average expenditure increased to Rs 73 crores from Rs 3 crore.

Therefore, to check the growth of public expenditure, he suggested the expenditure should be incurred with a spirit of economy. The military expenditure should be cut down and more number of Indians should be employed in public services.

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⑤ Education: Gokhale stated that an illiterate nation could not make any progress. So, educational facilities should be extended to all the country. The expenditure on education must be an imperial charge. Education must receive same attention as army and railways.

⑥ Trade: Gokhale criticised free trade policy. He pointed out that a number of countries adopted protection for the growth of the economy. Gokhale suggested that for the development of industries, protection was necessary.
