

PREFACE

Budgetary structure as well as its working is one of the most important factors which plays a vital role on the pace and pattern of a state's development. Generally speaking, a state's slow pace of growth may be, among other factors, due to (a) a lack of proper accumulation of capital in the past, (b) the drag of institutional factors, and (c) inadequacy of current resources. The state of West Bengal, as we know, was born out of the partition of India in the wake of independence in 1947. A tract which was since long regarded as a single economic unit with ethnic and cultural homogeneity was divided into two in the course of a day.

My interest in this study was roused mainly due to the fact that for various reasons the state of West Bengal is regarded as a problem state. The gradual sliding position of the state in the scale of economic progress needs to be probed in terms of its budgetary measures and their successes or failures. Government attempts to solve the various economic and allied problems would, therefore, be of academic as well as practical importance. One special feature of partition of the country which posed a serious problem to the economy of West Bengal was the large-scale influx of refugees from the erstwhile West Pakistan. It is quite interesting to study how the State Government in collaboration with the Central Government tried to solve the problem of refugees' rehabilitation in the state.

The period of study is slightly less than about three decades from the time of independence. Incidentally, the year 1973-74 was the final year of the Fourth Five-Year Plan as well as the last year of the old budgetary classification in practice. It may be also pointed out that during the period there was Congress rule both in the centre and in this state with the exception of two brief spells in the latter case. So, the

political power and philosophy were more or less identical and unbroken during the period. This is also one of the criteria for choosing the above period. Moreover, the period containing about twentyseven years almost equals a generation and it is interesting to know how the situation changed in this state in course of a generation.

In my study I have first of all discussed different aspects of provincial finance in Bengal under the British rule in a historical perspective (Ch.I). After giving an introductory idea about the pre-independence Government finance in Bengal the analysis is directed to the post-independence West Bengal finance. Accordingly, I have studied the salient features of the West Bengal budget with special reference to its accounting system, budgetary process and practicability of estimates (Ch.II). Then I have given a general outline of the Government receipts and expenditures under different plan periods (Ch.III). The next chapter is devoted to a critical appreciation of different components of the state's tax and non-tax revenue receipts (Ch.IV). Attempts is also made to discuss the transfer of resources from the Central Government including public debt with special reference to the Finance Commissions, Planning Commission, etc. in a separate chapter (Ch.V). Then I have investigated the nature of public expenditure under some of the major heads (Ch.VI). In order to make the whole analysis a bit more revealing and useful a separate chapter is devoted to a comparative study of the budgetary progress in West Bengal vis-a-vis that in some other states (Ch.VII). The next chapter gives a brief idea about the embarrassment to the West Bengal economy caused by the huge influx of refugees from East Pakistan as well as a review of the rehabilitation measures (Ch.VIII). A comparative analysis of the refugee rehabilitation measures in West Bengal and in Punjab which also faced similar problems of partition is made in another chapter thereby underlining the gravity of the problem in the former state (Ch.IX). The last chapter deals with the general findings of the whole analysis (Ch.X).

In the study it has been seen that provincial finance developed through a series of evolutions. In many fields the budgetary estimates practically served very little working purposes due to the remarkable differences between the estimates and the actuals. Inadequate revenues and their utilisation not always in a proper way was a notable feature of public finance in the state. Huge amounts of outstanding balance of public debt, especially from the Government of India was a matter of alarm. The relative financial position of the state deteriorated significantly compared with certain other states during the period under study. Insufficient central assistance for refugee rehabilitation and its utilisation in a haphazard manner owing to the lack of any well-conceived plan for their economic rehabilitation made the problem very critical and it came out in a very sharp focus when compared to the situation in Punjab.

The study is conducted mainly on the basis of available published Government data and other published sources.

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