

India was announced during the visit of the General Secretary of the Central Committee of the Communist Party of the Soviet Union to India during November, 1986. However, no detailed proposal is available.

Steps to curtail growth of deficit financing, indirect taxes and money circulation

3113. SHRI R. JEEVARATHINAM : Will the Minister of FINANCE be pleased to state :

(a) the growth rate of budgetary deficit, indirect taxes and money circulation during 1960-70, 1970-80 and after 1980 year-wise;

(b) whether these factors are inter-alia responsible for rise in prices; and

(c) if so, steps so far taken to curtail growth of deficit financing, indirect taxes and money circulation ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHMA DUTT) : (a) A Statement giving the required information is given below.

(b) and (c). It is not feasible to Precisely estimate the inflationary impact of budgetary deficit, indirect taxes and money supply. The recent monetary, fiscal and price trends have been analysed in detail in the Economic Survey 1986-87 presented to the Parliament on February 24, 1987. It has been decided that the Centre's deficit in the Budget Estimates for 1987-88 (Rs. 5,688 crores), which is much lower than the revised estimates for the current year (Rs. 8,285 crores), shall not be exceeded. For this purpose, among other measures, a cabinet Committee on Expenditure is being constituted.

Statement

	Annual Growth Rates (In percentages)		Budgetary Deficit (Centre and States) (Rs. crores)
	Money Supply (M3)*	Indirect Taxes (Centre, States and UTs)	
<i>Annual Average</i>			
1961-62 to 1970-71	10.7	14.7	215
1971-72 to 1980-81	17.6	16.0	1,113
<i>Annual</i>			
1980-81	18.1	13.6	3,451
1981-82	12.5	20.7	2,519
1982-83	16.1	13.7	2,349
1983-84	18.1	17.0	2,135
1984-85	18.9	14.5	5,105
1985-86	15.9	19.9 (RE)	3,161

*Based on March 31 data.