

Title: Need to provide moratorium on interest payment for a period of five years to Government of Orissa to correct fiscal imbalances.

SHRI TRILOCHAN KANUNGO (JAGATSINGHPUR): Sir, the Government of Orissa is facing severe financial crisis. Interest payment constitutes nearly 120 per cent and salary and pension of the employees received from the Consolidated Fund of Orissa constitute nearly 180 per cent of State's own revenue. The State has to depend upon a huge borrowing with high interest rate to have both ends met. The State could not have necessary financial resources to develop the infrastructures like road, railways, electricity, irrigation, education and healthcare. Skewed distributions of financial resources among States have pushed backward States further backward over the years.

The Gadgil formula of 70 per cent loan and 30 per cent grant in Plan assistance aggravated the miseries. A moratorium on interest payment for a period of five years would help put the fiscal balance on an even keel and accelerate the process of development so as to stand on its own after the above timeframe. I urge upon the hon. Prime Minister and hon. Minister of Finance to act upon the suggestion quickly.