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Title: Need to provide moratorium for payment of interest to the Government of West Bengal in view of debt burden of the State.

PROF. SAUGATA ROY (DUM DUM): Mr. Chairman, Sir, I rise to speak on the demand of the West Bengal Government for moratorium on interest payment on outstanding debt for a period of three years.

A new Government has come to power in West Bengal 20 months ago. When it came, the previous Government had left a debt burden of Rs. 2.3 lakh crore. At that time, the FRBM Act was not applied to the then State Government by the Centre. Now, on this outstanding debt of 2.3 lakh crore, the State Government has to pay an yearly interest of nearly Rs. 26,000 crore. Last year, the State's revenue income was only Rs. 21,000 crore. Thus, there was very little money left for development.

Now, not only is interest being charged from West Bengal, the interest is being deducted monthly from the share of West Bengal in the Grants-in-Aid. That is what the Centre gives to the State. The State is in great financial difficulty. The State has been pressing for restructuring of debt and not for waiver of interest but for a moratorium on interest payment for three years. If this demand is not conceded and West Bengal falls into a situation where payment of salaries becomes difficult, then thousands and lakhs of people will come to Delhi to demand the moratorium on debt payment.

This is not the problem of West Bengal alone. The last Finance Commission had stated that there are three debt-stressed States in India: West Bengal, Punjab and Kerala. Though Punjab and Kerala being smaller their problem is smaller, in West Bengal it is becoming unmanageable. When we were in the UPA-II Government, we made this demand to the Finance Minister, to the Prime Minister, but they have not responded. Now we are in the Opposition, but we are a Constitutionally constituted Government in West Bengal, our demand is being totally ignored.

I demand that before this Budget is over, the Centre must come forward with a decision on the moratorium of debt. Otherwise our movement will spread to the capital of Delhi.