ESTIMATES COMMITTEE (1972-73)

(FIFTH LOK SABHA)

FORTY-SECOND REPORT

MINISTRY OF TOURISM & CIVIL AVIATION (DEPARTMENT OF TOURISM)

TOURISM



LOK SABHA SECRETARIAT NEW DELHI

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ESTIMATES COMMITTEE

(1972-73)

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SECRETARIAT

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Shri Avtar Singh Rikhy-Joint Secretary.

Shri M. S. Sundaresan—Deputy Secretar

Shri Y. Sahai-Under Secretary.

INTRODUCTION

I, the Chairman, Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present the Forty-Second Report on the Ministry of Tourism and Civil Aviation (Department of Tourism)-Tourism.

2. The Committee took evidence of the representatives of Ministry of Tourism and Civil Aviation (Department of Tourism) from the 18th to 21st December, 1972. The Committee wish to express their thanks to these officers for placing before them the material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

3. The Committee also wish to express their thanks to Sarvashri Inder Sharma and Arvind Parikh representatives of the Travel Agents Association of India, Sarvashri Ajit Kerkar, Ramesh Khanna and B. S. Chadha, representatives of the Federation of Hotel and Restaurant Associations of India, Shri S. D. Khanna representative of the East India Hotels Ltd., New Delhi for furnishing memoranda to the Committee and also for giving evidence and making valuable suggestions.

4. The Committee also wish to express their thanks to various state Governments and all the associations and individuals who furnished memoranda on the subject to the Committee.

5. The Report was considered and adopted by the Committee on the 18th April, 1973.

6. A statement giving the analysis of recommendations/Conclusions contained in the Report is also appended to the Report (Appendix IV).

New Delhi:	KAMAL NATH TEWARI,
April 24, 1973	Chairm a n,
Vaisakha 4, 1895 (Saka).	Estimates Committee.

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CHAPTER I

INTRODUCTORY

A. Introductory

1.1. Tourism today presents an unparallelled challenge to the economics of the developing world. The rewards to be gained both financial and sociological are immense. Of late in India too, there has been growing realisation both in the Government and the public about the benefits which accrue to the country, bv an accelerated growth and development of tourism. The question of development of Tourism had been attracting the attention of Members of Parliament as far back as 1956 when the Estimates Committee took up for examination this subject and presented their 34th Report (1st Lok Sabha) and 90th Report (4th Lok Sabha). The action taken by Government on the recommendations made by the Committee, in these Reports are indicated in their 52nd Report (2nd Lok Sabha) and 130th Report (4th Lok Sabha).

1.2. With a view to examine in depth once again the problems facing the tourist industry and impediments standing in the way of tourism, the Estimates Committee (1972-73) took up for examination the estimates of the Ministry of Tourism and Civil Aviation (Department of Tourism)—Tourism. The various problems facing the tourists industry and the recommendations of the Committee to resolve them are dealt with in this Report.

B. Role and Importance of Tourism

1.3. Tourism today has become the World's largest and fastest growing industry; world receipts from tourism being of the order of Rs. 13425 crores in 1970, spent by no less than 169 million tourists. In 1971, some 181 million world travellers are estimated to have spent Rs. 14,925 crores. India's potential for tourism is unlimited and even one per cent of the world market can represent very substantial gain in a developing country. Tourism thus occupies a very important place in national and international life and has become a major economic activity.

1.4. Foreign exchange earnings from tourism are one of the most important aspects of its effect on the national economy. This is particularly important in developing countries to finance pur-

chase of goods and service required to support national development and for offsetting debits in balance of payments accounts. And these foreign exchange earnings are achieved without exporting the real wealth of the country. In all other export industries, and especially so in commodity exports, foreign exchange is earned at the cost of export of national wealth. However, tourism. though considered an "invisible" export industry is a highly service oriented industry. It has been stated that no accurate studies have been possible to assess the percentage of expenditure incurred by tourists on services and on the cost of actual raw materials consumed. It is, however, estimated that 25 to 30 per cent accounts for the cost of raw materials and 70 to 75 per cent on services. Tourism earnings would thus represent a national net foreign exchange income of about 70 per cent of gross earnings.

C. Multiplier Effect

1.5. Foreign exchange earnings are not the only aspect of tourism which strengthens the national economy. In fact there is considerable confusion about the impact of tourist spending in any economy. The predominant, but misplaced, view in India is that the only real impact of tourism is foreign exchange earnings. Important though this is, it is only one aspect. Far greater advantages flow from the turnover of tourism expenditure in the economy and the earnings to the State from this turnover through direct and indirect taxes.

1.6. Since the tourist industry is a highly service oriented or labour intensive industry, the major part of every dollar spent by the tourist gets reinvested or is turned around within the national economy. To elaborate, when the tourist spends his dollars in а particular region, part of these dollars become income for persons living in the region. Part of this income is spent, in turn generating income for others to spend but this goes on reducing with each successive round of spending. The number of times the original tourist dollar is turned around in this manner in the national economy is known as the Multiplier Effect. For India this Multiplier Effect is estimated to be 3.5. That means every dollar spent by tourists in India adds 3.5 times its value to the Gross National Product (GNP).

1.7. The following table shows the estimates of foreign exchange earnings, the advantages to the GNP through Tourism Multiplier over the plan period 1969—73 based on actual tourist arrivals and expenditure calculated for the year 1968 to 1971 on the basis of the Tourist Expenditure Survey (1968-69) and for the years 1972 and 1973 based on the quarterly report of foreign Tourist Expenditure Survey (1972-73) currently under progress.

Year	Tour's* arrivals	Estimated foreign exchange earnings	To al turncver as a result of multiplier effect	
		(Rs. in crores)	(Rs. in crores)	
1969	244,724	33	115-5	
1970	280,821	38	133.0	
1971	300,995	40	140.0	
1972	342,950	48	168.0	
1973	400,000*	57	199. 5	
	Τοτα	L. 216	756.0	

*Projected arrivals.

1.8. When examining the question of the application of the multiplier and the addition to the GNP, the Jha Committee Report on Tourism placed the direct and indirect earnings for Central and State Government through taxes at 15 per cent of the turnover. On this basis, it is noticed that the estimated earnings over the Plan period stands at Rs. 114 crores i.e. 15 per cent of Rs. 759 crores. When the total allocation in the Fourth Five Year Plan is only Rs. 34.80 crores for the Centre and Rs. 1168 crores for all the States. it is clear that the actual return to the State is more than twice the investment from public funds. Obviously, tourism is in itself a worthwhile area for investment and profitability should not be seen in terms of immediate returns on the investment by the State, but in relation to the total overall financial benefit to the economy. There is also the very direct socio-economic benefit through the increased employment opportunities provided by an industry which is labour intensive, and sells primarily services and goods produced by intensive application of rural labour, like handicrafts.

1.9. Recent research has established an even more fundamental factor for the Indian economy. It has been found that the more remote and backward the area, the higher the multiplier effect. In areas of extreme deprivation, any small increase in local spend-

ing capacity will be spent locally, because it is intrinsically so small that it is not large enough to be spent outside the area.

1.10. The Government has stated that the full implications of multiplier system had not yet been studied in detail because there had been inadequate research in it in developing areas at an early stage of development. However, the overall analysis clearly established the basic premises that the total economic benefits from tourism are very much greater than the foreign exchange earnings; that the combination of the "Tourism Multiplier" effect, and local taxes results in substantially greater revenue than the total plan expenditure; and that Tourism has the direct effect of transferring, as painlessly as possible, resources from the richer, developed countries, to the developing countries and internally from the richer regions to the remoter and poorer areas.

1.11. The Committee note that besides the aspect of foreign exchange earnings, tourism has also a marked 'Multiplier Effect'. The Committee also note that "the full implications of multiplier system have not yet been studied in detail, because there has been inadequate research. The Committee further note that ".... the overall analysis clearly established the basic premises that the total economic benefits from tourism are very much greater than the foreign exchange earnings; that the combination of the turn over through the application of the Tourism Multiplier effect and the local taxes result in substantially greater revenue than the total pian expenditure" The Committee would, therefore, recommend that the cost benefit study on various aspects of tourism may be taken up immediately to high-light the role of tourism in the economic growth of the country.

CHAPTER II

TOURIST PLANNING IN VARIOUS FIVE YEAR PLANS

2.1. Te First Five Year Plan did not include any allocation for the development of tourism.

2.2. In the Second and Third Five Year Plans, tourism development schemes were categorised into three parts. Part I, Part II and Part III.

Part I schemes were intended to create facilities for foreign tourists and were financed wholly by the Central Government.

2.3. Part II schemes were intended to create facilities for home tourists at centres which were also important from the point of view of foreign tourists. These schemes were jointly financed by the Central and State Governments in the ratio of 50 : 50. The schemes were treated as Centrally sponsored schemes.

2.4. Part III schemes were included in the State Plans and were wholly financed and executed by the State Governments. These schemes were intended to provide facilities for home tourists at centres which were of local or regional importance such as pilgrim centres and holiday camps.

2.5. The position in respect of the various Plans is as follows:

Second Plan:

The total outlay on tourism in the Second Plan was Rs. 336.38 lakhs. The allocations for Parts I, II and III schemes were as follows:

	(Rupees in lak	hs)
	Central State Tota Sector Sector	1
Part I	83. 20 83.	50
Part II	74·44 74·44 148·	88
Part III	- 104.00 104	00
		-
	157.94 178.44 336.3	38

5

	Ce itra Sector		To:al
Part I	37 4	6 <u>.</u> .	37 46
Part II	49 42	5 49.425	98 -83
Part III		85.00	85.00
	. 86.81	35 134.425	221.29

The actual expenditure incurred during the Second Plan was Rs. 221.29 lakhs as follows:

Third Plan

2.6. The total outlay on tourism in the Third Plan was Rs. 800 lakhs. The allocations for Part I, II and III schemes were as follows:

						(Rupees	in lakhs)
					Central Sector	State Sector	Total
Part I					292.00		292.00
Part II	•		•	•	058.00	058.00	116.00
Part III		•	•	•		392 · 00	39 2 · 00
					350.00	45 0 · 0 0	800.00

The actual expenditure of Rs. 510.45 lakhs was incurred during the Third Plan as follows:

										Central Sector	State Sector	Total
Part	I	•	•	•	•	•	•	•	•	97·41	••	97·41
Part	11	•								47·71	47.71	95·42
Part	ш								•		317.62	317·6 2
									•	145 · 12	365 · 33	510.45

Three Annual Plans:

2.7. The allocation and expenditure during each of the three

•						(Ruptes	
			Allocation	n	Ex	penditure	
		Central Sector	State Sector	Total	Central Sector	State Sector	Total
196 6-67 :		. <u> </u>				•	
Part I ·	•	28.50	Nil	28 · 50	8.69	Nil	8·69
Part II ·	•	15.00	15.00	30.00	9.86	9·86	19.72
Total	• -	43 · 50	15.00	58.50	18.55	9.86	28.21
1967-68:							
Part I		27.65	Nil	27.65	25 · 14	Nil	25.14
Part II •	•	30.00	30.00	6 o∙oo	8·76	8 · 76	17.52
TOTAL	• -	57.65	30.00	87.65	33.90	8.76	42·66
19 68-69 :			-				
Part I Part II		111·31 36 25	Nil 36-25	111·31 72·50	35·42 15·82	Nil 15·82	35·42 31·64
TOTAL	•	147.56	36.25	183.81	51.24	15.82	67.06

Annual Plans, 1966-67, 1967-68, and 1968-69 in respect of Part I & II Schemes* are as follows:

(Rupees	in	Lakhs)
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Fourth Plan:

2.8. The allocation and expenditure in the Central Sector as well as State Sectors are as follows:

Department of Tourism:

- I. Allocations for the financial years 1970-71, 1972-70 and 1971-72 Rs. 1011 57 lakhs
- 2. Expenditure for the financial years 1969-70, 1970-71 and 1971-72 Rs. 558-86 lakhs

Indian Tourism Development Corporation

- 1. Allocation for the financial years 1963-73, 1970-71 and 1971-72 R3. 822 03 lakhs
- 2. Expenditure for the financial years 1959-73, 1970-71 and 1971-72 Rs. 524.31 lakhs

*Since Part III Schemes were financed wholly by th' State Governments the Deartment of Tourism has no information on these schemes. States and Union Territories:

Out of a Plan allocation of Rs. 1168 lakhs during the Fourth Plan for the States and Union Territories, the expenditure in the first three years of the Fourth Plan has been Rs. 823.49* lakhs.

Development of Tourism during the Current Plan:

2.9. Originally an outlay of Rs. 25 crore was approved by the Planning Commission for the tourism schemes in the Central Sector and Rs. 11.68 crores in the States Sector. Out of Rs. 25 crores in the Central Sector Rs. 14.23 crores were earmarked for schemes relating to the Department of Tourism and Rs. 10.77 crores for the India Tourism Development Corporation. The mid-term appraisal of the Plan necessitated re-allocation of the funds on various schemes. Those schemes which were not directly conducive to the tourist inflow and others which for administrative reasons were not feasible were dropped and the funds thus saved have been diverted to other schemes such as youth hostels, wild life sanctuaries, provision of transport at various places, Gulmarg projects, etc. The Planning Commission also agreed to increase the allocation under the Hotel Loan Fund from Rs. 500 lakhs to Rs. 1150 lakhs and to a fresh allocation of Rs. 150 lakhs for publicity, Rs. 75 lakhs each for the remaining years of the Fourth Plan.

2.10. The main reasons advanced *interaliu* for the short-fall in the Second and Third Plans are stated to be (i) the organisational set up at the centre for the planning and implementation of the tourist development schemes was far from adequate (ii) delays in completing codal formalities.

Similarly in the Three Annual Plans, the reasons for short-fall was stated to be inadequacy of organisational set up of the Department of Tourism for Planning and Development of Tourist Development Schemes. In the Fourth Five Year Plan period also the reasons advanced for the short fall in plan outlay during the first three years of the plan period are stated to be "(i) inadequacy of the organisational set up of the Department of Tourism; (ii) delay involved in completing codal formalities; (iii) delay in the appointment of executing agencies; (iv) non-formulation of the details of schemes before the commencement of the Fourth Plan; (v) delay on the part of the executing agencies wherever appointed."

2.11. The Committee enquired as to why no concrete steps were taken by Government during all these years to gear the organisa-

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[•]This figure is approximate as confirmation about the expenditure figures of Mysore, Tamil Nadu, Uttar Prydesh, Chandigarh and Pondicherry have not been received.

tional set up of the Department of Tourism for planning and implementation of the various schemes included in the successive Five Year Plans. Explaining the reasons for the short-fall in the plan expenditure, the Secretary, Ministry of Tourism and Civil Aviation stated during his evidence that:

"I agree that in the years you have mentioned, there was a short-fall and I am not condoning that. But the fact remains that all the largest projects where the maximum money was to be spent were projects of which no one had experience before. The whole scheme had to be drawn up from scratch; research had to be made. In fact, we produced a paper which was cleared with the Ministry of Finance but after a year or so, we found that it was completely unrealistic because the officers of the Department just did not have the experience to plan for what was required. Changes had to be made."

2.12. To an enquiry as to what was the present position in respect of the difficulties, the Secretary, Ministry of Tourism explained the position thus:

"I will try to answer this question. Certainly for instance, the Gulmarg project and the Kovalam project took sometime in drawing them up, in having them cleared through the Ministry of Finance and other agencies in order to get expenditure sanction. In the case of the Gulmarg project, we had to go twice for obtaining expenditure sanction. We had to go to Government with enhanced outlay and ultimately that was sanctioned. Then the question of codal formalities came up. For instance, in Gulmarg where departmental schemes are being executed certain estimates were framed, works were to cost so much on a certain scale. The Ministry of Finance naturally wished to know whether the rates were reasonable. We are having some difficulty on this score. Under the rules of Government, Departmental work has to be executed through the C.P.W.D. The C.P.W.D., unfortunately may not be geared to work in a particular area where they might not have staff. We might have to depend on other agencies."

2.13. The Committee felt that notwithstanding what had happened in the earlier Plans, they desired that a comprehensive note be furnished to the Committee as to what they proposed to do in the remaining years of the Fourth Five Year Plan and the coming

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Fifth Five Year Plan. The Committee desired that the earlier mistakes should not be repeated in the Fifth Plan, and there was hardly any point in making a theoretical plan which could not be implemented. The Committee, therefore, desired to be furnished with a note as to the steps they had taken item-wise, to overcome the shortfall' in expenditure.

- 2.14. Government have stated in reply that:---
 - "Of the 3 main reasons for the short-fall, namely, the inadequate organisational set up, the delay on the part of the executing agencies and the delay involved in the completion of codal formalities, two are not within the control of the Department of Tourism. Only in the case of one reason can the Department, take remedial action to some extent. The two reasons beyond the direct control of the Department are the delay caused by executing agencies in the implementation of the schemes and the delay involved in the completion of codal formalities. Since the Department of Tourism does not have its own executing agency, it has to get its schemes executed through the C.P.W.D., State P.W.Ds. or the India Tourism Development Corporation, and on the working of these organi-Department has no control. However, as sations. the much longer for the execution of the C.P.W.D. takes projects, in 1971 it was decided to execute most of the projects through the State PWDs. or ITDC and as a result the pace of execution has improved.
 - As for the completion of codal formalities, corrective action is beyond the scope of the authority of the Department. For all the projects cleared by the Planning Commission, the Department has to approach the Ministry of Finance for concurrence, as also obtain the clearance of the Ministry of Works and Housing for executing the schemes through an agency other than the CPWD. The number of formalities that have thus to be followed causes delays in the execution of the scheme."

2.15. Regarding the remedial measures taken to avoid recurrence of similar situations in future, especially in the Fifth Plan period and laying greater emphasis on the fundamental significance of structuring and manning properly, the tourist organisations, Government have stated:—

"As for the Organisational set up, Department is not making any radical change in the structuring of the National Tourist Organisation but within the present structure endeavour is being made to improve the efficiency of the organisation. In 1971 a reorganisation of the Department had taken place and it did help in bringing a measure of increased efficiency. It is expected that the pace of implementation of the development of schemes would be "sster in the last two years of Fourth Plan than it had been in the first three years. However, it is admitted that for the execution of the schemes in the Fifth Five Year Plan the present set up in the planning and the execution wings is inadequate and a major effort for reorganisation of the set up would be needed this year. Of course, expansion of the Department would be subject to the constraint of the approval of the Ministry of Finance."

2.16. The question of non-utilisation of funds and short-fall in plan expenditure had also been the subject of criticism by the Estimates Committee vide their 90th Report (4th Lok Sabha) on the Ministry of Tourism and Civil Aviation (Department of Tourism). The Committee had *inter alia* recommended thus:

"The Committee note that there was no separate provision for the development of tourism in the First Five Year Plan. They are concerned to observe that there have been heavy shortfalls in expenditure on development of tourism during the Second and Third Plan periods both in the Central and State Sectors. Out of a total provision of Rs. 336.38 lakhs and Rs. 800 lakhs in both sectors, the extent of shortfall was of the order of Rs. 115 lakhs and Rs. 289.55 lakhs respectively i.e., about 34 per cent and 37.4 per cent during the two plan periods. In the Central sector the shortfall amounted to Rs. 71 lakhs and Rs. 204,88 lakhs and in the State Sector to Rs. 44 lakhs and Rs. 84.67 lakhs respectively. The expenditure on Part I schemes which are wholly financed and executed by the Centre was Rs. 37.46 lakhs out of a provision of Rs. 83.50 lakhs during Second Plan and Rs. 97.41 lakhs out of a provision of Rs. 292 lakhs during the Third Plan period. Thus the percentage of utilisation of funds on Part I schemes which was about 51 per cent during the Second Plan, came down to about 33.4 per cent during the Third Plan. It is also significant to note that out of 193 schemes proposed to be completed during the Second Plan, only 87 were completed during that period. The position of utilisation of funds has not improved subsequently i.e. during 1966-67, 1967-68 and 1968-69. The Committee are very much perturbed at the non-utilisation of funds in this vital sector during the successive Plan periods as this has affected adversely the provision of much needed facilities for the tourists in the country. They are unable to appreciate why the factors which impeded the utilisation of funds during the Second Plan were not identified and remedied well in time so as to enable full utilisation of funds during the Third Plan period and thereafter. It clearly indicates that during all these years. development of tourism so vital for the economy of the country was not given the priority and importance that it deserved.

- The Committee note that the total outlay for development of tourism during the Fourth Five Year Plan has been reduced from Rs. 40.35 crores to Rs. 25 crores by the Planning Commission. The Committee would therefore like Government to ensure that this financial provision is fully utilised on judiciously selected schemes which would help. in attracting the largest number of tourists in the country. These schemes should be formulated after detailed scrutiny in the light of past experience and should be executed expeditiously. The Committee are informed that at present UNESCO expert is going round the country to conduct a survey of tourist potentialities and to advise the Government on the development schemes to be taken up during the Fourth Plan period and that he would submit his report shortly. The Committee urge that expeditious measures should be taken to finalise the tourism development schemes to be taken up during the Fourth Plan period in the light of the expert's report so that work on the schemes could be started without loss of time.
- The Committee further recommend that corrective measures to streamline the procedures and the working of the Department of Tourism should be taken up so that the factors which hampered the progress of schemes during the Second and Third Plan periods are eliminated."

2.17. The Government in their action taken replies stated*:--

- "Shortfalls in expenditure during the two Plan periods and subsequent 3 years took place because the organisation to implement the schemes was totally inadequate. The Department continues to face this difficulty but steps are now being taken to ascertain the best organisational and staff needs of the Department charged with the responsibility for developing the Tourist Industry. A study of the work and methods in the Department has been entrusted to the Indian Institute of Public Administration and it is hoped that the recommendations made in this study when accepted by Government will provide a sound organisational base for the implementation of tourism schemes. In schemes involving construction, it is proposed to take the help of private architects to ensure quality of design and proper quick implementation.
- Every effort is being made to ensure that there will be no shortfalls in the expediture during the 4th Plan periods."

2.18. It is distressing that after two decades of planning, the Department of Tourism has not been able to gear fully its organisational set up for planning and implementation of the various schemes included in the successive five year plans. The position regarding utilisation of funds so far even during the Fourth Plan period seems far from satisfactory. As against a allocation of Rs. 1833.57 lakhs during the first three years of the Fourth Five Year Plan. actual expenditure both for the Department of Tourism and I.T.D.C. was of the order of Rs. 1083.17 lakhs. Instead of identifying the factors which impeded the utilisation of funds during the Second and Third Plan period and taking remedial measures to ensure a fuller utilisation of funds, the same old reasons for the shortfall in the plan outlay when the Fourth Plan period is coming to a close аге still being advanced viz., (i) non-formulation of the details of schemes before the commencements of the Fourth Plan (ii) delay in the appointment of executing agencies; (iii) inadequacy of the organizational set up of the Department of Tourism; (iv) delay in completing codal formalities and (v) delay on the part of the executing agencies wherever appointed. In the Committee's view there is no use of making a plan which cannot be executed and successfully implemented. The Committee are constrained to note that even for the execution of the schemes in the Fifth Five Year Plan period no serious thought is being bestowed for laying greater emphasis on the

^{*13}th Report (4LS) P. 6.

fundamental significance of structuring and manning properly the tourist organisation. The Committee, therefore, feel concerned about the approach to the whole problem of growth and development of tourism in the country by the Department of Tourism. They have, therefore, spelt out their suggestions for the reorganisation of the Department of Tourism in their chapter on "Organisational set up" at the end. The Committee would very much like that the mistakes committed during the earlier Plans are not repeated during the Fifth Plan period. They would urge that expeditious measures should be taken to finalise the tourism development schemes to be taken up during the Fifth Plan period so that the work on the schemes could be started without loss of time.

2.19. The Committee would further recommend that corrective measures to streamline the procedures and the working of the Department of Tourism be taken so that the factors which hampered the progress of schemes during the earlier plans are eliminated. The Committee would also like Government to ensure that the financial provision made in the Fifth Plan are fully utilised on judiciously selected schemes.

CHAPTER III

TRENDS IN TOURIST TRAFFIC

A. India's Potential for Tourism

3.1. Few countries in the world can offer such a wide range of attractions to the tourist as India can. We have places of extraordinary natural beauty. A tourist can carry a camera or a gun to the jungles if he is interested in wild life. He can vist ancient monuments in stone and marble—Ajanta, Mahabalipuram and the Taj-as well as the monuments of modern India-dams, factories and the cities planned by Lutvens and Corbusier. The serious-minded traveller can find a great deal to interest him in the world's largest democracy, and in our efforts to develop our economy. All these attractions for the tourist are there without any effort on our part to create them. A conscious effort would greatly augment the potential. Mountaineering and winter sports, cultural activities and many other attractions could be developed both for the benefit of our own nationals and of our visitors from abroad. On top of all this, India has the advantage of being at the cross-roads of some of the most important air-routes and sea-routes of the world.

Year								Number of Tourists	Percen- tage increase over previous year
1960	-	•	•	•	•	•	•	1,23,095	••
1961	••	•	•	•	•	•	•	1,39,804	13-6
1962		•	•	•	•	•	•	1,34,360	3.9
1963		•		•	•	•	•	1,40,821	4.8
1964		•	•	•	•	•	•	1,56,673	11.3
1965								1,47,900	5.6
1966	•	-						1,59,603	7.9

3.2. The table below gives the total number of tourists who visited India from 1960 to 1972:—

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I						-			2	3
1967	•	•-	•-	••	•	•	•-	•	1,79,565	12.5
1968	•	٠	٠	٠		•	•	•	1,88,820	5-2
1 9 69	٠	8 -	•	•		•.	•	•	2,44,724	29 6
1970	•	•	٠	•		•	•		2,80,821	14.8
1 9 71	٠	•-	•-		•	•	•.		3,00,995	7 •2 -
1972	•-	٠	٠	•.	•	•	•	•	3,42,950	13.9

3.3. It would be seen from the above that the total tourist arrivals in India during the decade from 1961 to 1971 the tourist arrivals in India recorded more than a two-fold increase. The Committee enquired as to what were the targets of tourists arrivals in India fixed for the decade covering the period from 1961 to 1971 and how far the figures of tourist arrivals in India conformed to the projections. In a note furnished to the Committee, in their post-evidence replies, Government have stated:—

- "Although the projected figures of the tourist arrivals on the prevailing growth rates worked out at about 380,000 tourist by 1973, the Department of Tourism originally set a much higher target of 600,000 tourists by 1973 with a view to stimulate the various sectors of the industry to much greater efforts in developing and promoting tourism to the country. In order to achieve this target an outlay of Rs. 84.76 crores for the Fourth Plan was proposed. Due to stringent resources position the Planning Commission cut down the outlay to Rs. 25 crores. This necessitated the recasting of the projected growth in tourist arrivals by 1973 as the volume of traffic is proportionate to the facilities that we can provide for tourists in the country. The revised target of tourist arrivals was fixed at 400,000 tourists by 1973 requiring an annual growth of 16:2 per cent over the Fourth Plan period. The actual growth in tourist traffic, however, recorded an increase of about 29.6 per cent in 1969 and 14:8 per cent in 1970. The growth rate for 1971 was however 7:2 per cent because of war time conditions towards the end of the year.
- A total of 342,950 tourists visited India during 1972, representing an increase of 13:9 per cent over the preceding year. On the basis of arrivals there is every possibility of our

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achieving the target of 400,000 tourists by the end of 1973."

3.4. Regarding India's potential for tourism, the Secretary, Ministry to Tourism and Civil Aviation stated during evidence that the percentage of India's earning, out of the world's receipt from tourism was 0.27 in 1971. At present the principal tourists market for India.*were Western Europe which gave 93,000 tourists, North America 47,000. South East Asia 28,000, South East 25,500 and Africa 19,000 tourists. This was during the period January to October; 1972 and they accorded for approximately 80 per cent of the total tourist traffic to India. It was expected that these regions would' continue to be India's main markets in the next five year plan. They were also stepping up activities in Japan and Australia from where they hoped to get increasing number of tourists.

B. Projections of Tourist arrivals in India

3.5. In regard to the basis on which the targets of one million tourist arrivals by 1980, had been fixed, Government in a written note furnished to the Committee have stated:—

"In order to attain a target of 1 million tourist arrivals by the year 1980 we would require a compound growth rate of 14 per cent over the 1973 target of 400,000 tourist arrivals. To achieve a target of 800,000 tourist arrivals by 1978 and one million arrivals by the end of the decade (1980) an annual growth rate of 15 per cent upto 1973 and 12 per cent thereafter will have to be maintained. We have already attained the growth rate of 13.6 per cent during 1965-70 and it may not be difficult to achieve the growth rate stipulated for attaining the targets."

3.6. Regarding the realisation of projections of one million tourists arrivals in India, by the year 1980, the Secretary, Ministry of Tourism and Civil Aviation stated during evidence that the targets of one million tourist by the end of 1980, was made on certain projections. They projected the traffic growth between 13 to 15 per cent per year. They were working out the details based on experience in the past and the world trend in tourism. Details were being worked out as to how many beds will be required, and how many rooms would be required. This gave them shortage of 30,000 rooms.

3.7. Amplifying the point further, the Additional Director General of Tourism stated during evidence that by the year 1980, they shoped to reach the one million target. He added that the basis on which the target of one million tourist arrivals in India had been fixed was predicted on a compound growth rate of 14 per cent. They felt that it was possible to achieve it considering that in the last year of the Fourth Plan, targets of tourist arrivals in India was 400,000 tourists. If they could achieve in 1973, target of 400,000 tourists (and they had reason too believe that it would be possible to do so), they had predicted that with the stepping up of promotional programmes, which they were taking up they should be able to achieve subject to building up the infrastructure in the country the target of one million in the year 1980.

3.8. At the 21st Annual Convention of Travel Agents Association of India at Srinagar on the 23rd April, 1972 the Minister for Tourism and Civil Aviation expressed the following views so far as the attainment of targets of one million tourists by 1981 was concerned:—

- "We started in 1966. The Ministry was set up in early 1967. In 1966 we had 1.59 lakhs of foreign tourists to India. In 1971 we were able to have just over three lakhs of tourists, despite the fact that there was a major set-back as a result of political development of the sub-continent.
- Nevertheless, we were able to get more than three lakhs of tourists, and our target of four lakhs of foreign tourists by the end of the Fourth Plan is almost certainly going to be achieved and will probably be exceeded.
- In the Fifth Plan period we are now thinking in terms of doubling the influx of tourists—in other words, of going up from four lakhs of tourists in 1978 to eight lakhs in 1978 and reaching the million mark by 1980.
- We consider that this is a realistic estimate which can be achieved, provided the investments in tourism are substantially increased. And, of course, along with the growth in the number of tourists who come here there will be a substantial growth in the foreign exchange that we will earn.
- We expect that by the end of the Fifth Plan period the direct earnings from tourism will be at least one hundred crores of rupees a year plus another hundred crores from airliners, and therefore, tourism can become one of the major foreign exchange earners in this country.

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Now in the course of the last five years, we have tried to do two things; we have tried to strengthen our promotion campaign abroad and we have tired to strengthen our infra-structure at home."

C. India's Share of earnings from World Tourism

3.9. The table below gives the India's share per annum in the total world turn-over from tourism during the years 1950-71.

Year							e	World* earnings (s.crores)	India's† earnings (Rs. crores)	India's earnings as per- centage of world earnings
1960		•	•	•	•			3,250	19·74	0.61
1961								3,460	17.77	0. 21
1962								3,813	18·97	0· 50
1963		•	•					4,175	19· 9 6	0.48
1964		•					•	4,777	22 · 23	o·47
1965		•						5,554	2 0·97	o [.] 38
1966							•	8,043	22.60	0.28
1967				•				10,425	25.18	0 [.] 24
1968		•	•				•	10,800	26·42	0 · 24
1969			•			•		11,625	33.11	0 [.] 28
1970			•	•				13,425	38.03	0 [.] 28
1971	•	•	•	•	•	•	•	14,925	40.38	0 · 2 7

*Source: IUOTO Bulletins

†Excludes earnings from Pakistan Nationals.

3.10. It would be seen from above that amount of foreign exchange earned from the tourist arrivals during 1971 totalled Rs. 403:8 millions, representing a rise of 6:2 per cent over the earnings of Rs. 380.3 million during 1970 *i.e.* 14.8 per cent above 1969.

3.11. Dwelling upon the reasons for declining trend in India's share of earnings from world tourism, the Secretary, Ministry of Tourism and Civil Aviation stated thus during evidence:—

"The bulk of world Tourism is within Europe itself Europe consists of several countries. Everyone crossing the border of his country, is a tourist and it is easier for him. The distance involved in coming to India is much more. Nodoubt, there has been a tremendous increase in the number of international tourists. The money spent in Europe has consequently gone up. Our share has proportionately shown a declining trend, but in addition to this, there have been other factors beyond our control. This is so despite the number of tourists who came to India last year going up, compared to the year before. We have undertaken massive publicity campaigns and are improving the infra-structure. So, I think our plan of 1 million tourists by the end of 1980, will be achieved."

3.12. The Committee note that India has many things to offer for tourism. It has scenic beauty in its mountains, sea-side places and its forests. It has an unlimited number of historical monuments of great interest. It has places of architectural beauty and above all, it has an extraordinary diversity of people who are warm and friendly, a point of special attraction from the point of view of foreign tourists. The Committee are, unhappy to note the slow progress in the development of tourism in the country as is borne out by the fact that the total tourist arrivals in India constituted 0:12 per cent only of the world tourist traffic in 1966 and 0:17 per cent only in the year 1972. In terms of percentage it means that whereas the total world turn-over increased by 359 per cent during 1960 to 1971, India's turn over increased only by 104:6 per cent with the result that India's share of the World turn over decreased from 0:61 per cent in 1960 to 0:27 per cent in 1971.

3.13. The Committee note that the Department of Tourism had originally fixed an ambitious target of 600,000 tourists by 1973 with a view to stimulate the various sectors of the industry to much greater efforts in developing and promoting tourism in the country. These targets were, however, revised and fixed at 400,000 tourists by 1973. consequent on the pruning down of the allocations for tourism in the Fourth Five Year Plan. The Committee note that a total of 342.950 tourists had visited India during 1972. On the basis of these arrivals, the Ministry expects that targets of 400,000 tourists by 1973 would be realised. The Committee further note that in order to attain a target of 1 million tourist arrivals by 1980, India would require a compound growth rate of 14 per cent over the 1973 target The Committee further note that of 400.000 tourist arrivals. to achieve a target of 800,000 tourist arrivals by 1978 and one million arrivals by the end of the decade (1980), an annual growth rate of

15 per cent upto 1978 and 12 per cent thereafter would have to be The Committee observe that India had already attained attained. the growth rate of 13:6 per cent during 1965-70. The Committee. therefore, share the hope of the Minister of Tourism and Civil Aviation expressed at the 21st Annual Convention of Travel Agents held at Srinagar on the 23rd April, 1972 that the target of reaching 800,000 tourist arrivals in India by 1978 and one million mark hv 1980 would be achieved. In order to achieve the stipulated target the Committee need hardly stress that the basic requirements for promotion of tourism viz. (i) provision of hotel accommodation of international standards; (ii) adequate air transport (both international domestic); (iii) vastly improved rail and road transport facilities; (iv) provision of necessary off-site improvements for development of tourist resorts: adequate entertainment facilities etc. are provided at a much quicker and speedier pace than was hitherto being There is need for sustained and vigorous effort on the part taken. of Department of Tourism and other connected agencies to build up the requisite infra-structure to make comfortable the stay of one million tourist in India by 1980.

D. World Tourist Statistics

Country of Nationality		1961	1967	1968	1969	1970	1971
I		2	3	4	5	6	7
U.S.A. ·	•	31,345	43,041	41,721	52,836	58,793	54,982
U.K.		22,191	27,309	29,821	38,037	43,212	40,005
Canada		1,923	3,001	3,575	4,846	7,026	7,045
Mexico ·		523	451	688	724	877	737
Austria		422	831	1,143	1,417	1,746	1,790
Belgium		417	981	1,106	1,548	2,646	2,131
Netherlands		1,202	1,836	1,976	2,768	3,227	3,692
France .		3,033	7 ,22 4	8,786	12,094	16,832	16,779
Germany		4,835	8,101	9,862	14,222	16,685	17,867†
Itlay .		1,643	2,550	2,740	4,639	5,954	5,982
Denmark	.•	526	1,202	1,337	1,919	2,315	2,483
Sweden .	•	900	1,454	1,697	2 ,601	2,573	2,791

3.14. The table below gives the number of tourist arrivals to India from some of the countries during the year 1961-71.

							•
I		2	3	4	5	6	7
Switzerland	•	1,649	3,017	3,251	4,418	5,220	5,394
Czechoslovakia	•	526	778	854	1,506	1,316	1,089
U.S.S.R. •	•	3,737	1,959	2,057	2,935	2,874	3,522
Kenya ·	•	11,420	4,209	2,254	3,363	3,562	6,605
Tanzania •		2,398	2,453	1,733	2,075	2,519	5,843
Uganda	•	1,229	1,685	1,063	1,569	2,203	3,459 [.]
Persian Gulf countries		2,547	2,776	3,067	3,980	5,2 19	5,611
Iran •		726	1,290	1,175	1,771	2,573	2,826
Afghanistan		2,035	2,067	3,112	3,860	4,854	6,177
Ceylon · ·	•	14,838	20,116	19,899	19,891	18,004	16,577
Japan •		3,940	5,315	6,024	8,352	9,432	11,618
Malaysia ·	•	7 ,4 <i>5</i> I*	7,138	8,032	8,823	10,827	17,752
Singapore •	•	*	3,318	3,704	3,793	4,918	7,623
Philippines		469	693	822	952	915	1,050
Thailand		594	1,110	1,384	1,910	1,876	3,447
Australia	•	2,302	6,351	8,322	10,615	11,901	10,936
New Zealand		442	929	1,234	1,832	2,104	2,286

†Pertains to West Germany only.

*Singapore figures included in Malaysia.

3.15. It has been stated that tourists from High Spending areas viz., America, Europe, Australia and Japan increased from 85,978 in 1961 to 203,010 in 1971 registering an annual growth rate of 9 per cent. This market has been sensitive to political situations in subcontinent. In 1965 the traffic from this area had registered a decline of 7.7 per cent compared to 1964, and again the political upheaval in 1971 in the adjoining country resulted in a decline of 1.7 per cent compared to 1970. The first half of 1971 was marked by an increase of 5.4 per cent but a decline of 7.3 per cent in the second half resulted in an overall decline of 1.7 per cent in 1971 compared to 1970. The share of high spending category traffic, which had been on the increase since 1968, declined from 73.5 per cent in 1970 to 67.4 per cent in 1971.

3.16. Tourists from countries in Africa and Asia totalled 109,603 in 1971, showing an increase of 30.9 per cent over the arrivals in 1970. The share of this segment in total tourist arrivals, which had declined from 41.3 per cent in 1961 to 29.8 per cent in 1970, recovered! to 36.4 per cent in 1971. Tourist arrivals from Afro-Asian countries in 1971, were almost double the figure for 1961 giving an annual growth rate of 6.6 per cent for the period. The increase in tourist traffic from Afro-Asian countries during 1971 was mainly due to the inflow of ethnic traffic from South East Asia and Africa. Tourist arrivals from South-East Asia recorded an increase of 24.7 per cent while those from Africa recorded an increase of 67.7 per cent as compared to 1970.

3.17. U.S.A. and Canada together contributed 20.6 per cent to the total tourist arrivals in 1971, registering decline of 5.8 per cent compared to tourist arrivals in 1970. Whereas the first half of 1971 registered an increase of 2.4 per cent over the first half of 1970, the subsequent decline in the second half of the year turned the marginal increase into an overall decrease of 5.8 per cent. The contribution of this region to total tourist arrivals has never been significant. The arrivals from Central and South American region, which had been steadily increasing since 1966, recorded a sharp decline of 32.5 per cent in 1971.

3.18. It has been stated that Western Europe continued to be the principal tourist generating region for India, even though the share of this region to total tourist arrivals declined from 37.6 per cent in 1970 to 34.6 per cent in 1971. This decline was mainly due to the fall in tourist arrivals from U.K. which is the major market in this region. The arrivals from U.K. fell from 43,212 in 1970 to 40,005 in 1971 registering a decline of 7.4 per cent. The other important country in this region, *viz.*, France also sent a slightly lower number of tourists in 1971. Arrivals from West Germany, on the other hand, improved from 16,279 in 1970 to 17,867 in 1971, but the growth was not substantial enough to offset the overall decline in tourist traffic from this region.

3.19. Tourist arrivals from Eastern Europe registered noticeable growth in 1971, the percentage increase being 21.7 per cent compared to the previous year. The contribution of this region to total tourist arrivals was 2.6 per cent in 1971 The U.S.S.R. (3522) and Yugoslavia (1093) registered increases of 22.6 per cent and 28.7 per cent respectively.

3.20. Tourist from countries in West Asia totalled 12,648 in 1971 as compared to 12,170 in 1970 showing an increase of 3.9 per cent. Increase was on account of higher arrivals from Iran, Saudi Arabia, and Persian Gulf countries. The share of this region to total tourist arrivals, however, declined marginally from 4.3 per cent in 1970 to 4.2 per cent in 1971.

3.21. Arrivals from East Asian countries recorded an overall increase of 14,033 tourists in 1971 (70,846) as compared to 1970 (56,813). The share of the region to total tourist arrivals increased from 20.2 per cent in 1970 to 23.5 per cent in 1971. This rise was mainly due to increase in arrivals from Malaysia, Singapore, Indonesia, Japan and Thailand. Ceylon which sent the maximum number of tourists from this region, and ranked third until 1970 in sending the largest number of tourists from any individual country receded to the sixth position in 1971. Tourist arrivals from this country recorded a decline of 7.9 per cent. Despite this decline, East Asia region now occupies the second position in sending the largest number of tourist, the first being Western Europe. The total tourist arrivals from East Asia increased by 104.9 per cent during the decade 1961 to 1971, the annual growth rate being 7.4 per cent.

3.22. The tourist arrivals from Africa maintained a steady increase in 1971 as well. The year was marked by a steep increase of 67.7 per cent in tourist arrivals over the figure for 1970. The declining trend in tourist arrivals from African countries was arrested in 1969, and their share of total tourist arrivals improved from 5.1 per cent in 1969 to 8.2 per cent in 1971. Compared to 1961, tourist arrivals from Africa recorded a substantial increase of 39.6 per cent in 1971.

3.23. Tourist arrivals from Australasia increased from 2903 in 1961 to 13,931 in 1971 showing a compound growth rate of 17.0 per cent per annum. In 1971 there was a slight decline of 1.2 per cent in tourist traffic from this region. The share of this region also declined from 5.0 per cent in 1970 to 4.6 per cent in 1971. Tourist arrivals from Australia, the major contributor from the region, also recorded a decline of 8.1 per cent from 11,901 in 1970 to 10,936 in 1971.

3.24. The Committee note that in 1971, an increase of 7 per cent was recorded in tourist arrivals in India over 1970. Though U.S.A. and U.K. continued to occupy the first and second positions as the countries of orogin of tourists to India. Ceylon which ranked third in 1970 moved down to the sixth position and West Germany moved up to the third position. The major increase in tourist arrivals during 1971 was from Malaysia (6,925) followed by Tanzania (9,324), Kenya (3,043) and Singapore (2705). Tourist arrivals from Tanzania more than doubled in 1971 as compared to 1970. Tourist arrivals from Japan registered about three-fold increase between 1961 and 1971 and exceeded those from Australia for the first time in 1971. The Committee would like to stress that greater promotional efforts be made in the countries from where the flow of tourists to India is not at present appreciable. Government should also take careful note of the trends in tourist traffic with reference to areas of origin so as to reinforce efforts in such promising areas.

E. Regional Cooperation

3.25. There are many existing illustrations in tourism of Regional Cooperation, for example, the Alpine countries, CanMexUs (Canada, Mexico, United States), Great Britain and Ireland. The underlying interest encouraging such cooperation may be in the field of development or marketing or both. An example of the former is the combined centre for staff training; of the latter the provision of tours covering the countries involved, as one package or inclusive operation or collective area promotion. There is competition between regions for the long distance tourist. North America competes with the far East for European tourists for instance. So, at first sight there is justification for regional cooperation in the wider area sense, e.g., Pacific Area Travel Association, European Travel Commission, and the new African Travel Commission. Apart from the obvious object of attracting more foreign tourists into the regional area concerned there is also a gain in the -continuing exchange of experience and information between the -constituent countries on their domestic traffic and on intra-regional coriginating traffic.

3.26. The number of tourists to India and some of the neighbouring countries from 196-71 published by the International Union of Official Travel Organisation (IUOTO) are as follows:—

			1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Ľ
Afghanistan	•		3,329	2,666	3,542	N.P.	10,539	22.470	0.6					
Burma .			N.P.	3,380	5,000	N.P.	N.P.	23,413	37,863	44,539	63,100	100,200	113,109)
Ceylon .			N.P.	N.P.	• •			N.P.	N.P.	N.P.	N.P.	N.P.	N.P	,
India					19,214	19,700	19,781	18,9 69	23,666	28,272	40,200	46,200	39,654	
			139,804	134,360	140,821	156,673	147,900	1 59,603	179,565	188,280	244,724		555-54	
Iran .		•	N.P.	N.P.	N.P.	120,732	135,876	181,498			•	280,821	300,995	
Malaysia .		2	N.P.	N.P.	26,865	24,754			204,629	282,905	254,800	298,600	N.P.	(
Nepal .			N.P.	6,179			23,225	N.P.	42,775	50,66 2	53,200	76,400	98,188	
Pakistan					7,275	9,526	9,388	12,567	18,093	24,209	34,901	45,970		
			59,899	62,620	69,466	75,681	73,691	77,482	89,441	07 202			N.P.	
Thailand .		•	N.P.	130,809	195,077	211,924	225,025	-		97,392	N.P.	122,097	113,300	
N						·//-+	~~),025	285,117	335,845	377,262	469,800	628,700	638,738	

It will be seen that at present Thailand is receiving more than double the number of tourists than India. Iran has also made a significant progress and is now well ahead India. Of late Afghanistan has also registered a considerable rate of growth in tourist arrivals. 26

3.27. In a memorandum submitted to the Committee, a leading hotelier has observed:—

".....to obtain maximum effect for the money spent, it is important that we should, if possible, get together with our neighbouring countries and work out, with the assistance and cooperation of the carriers, a joint programme for promoting the region of India, Nepal, Ceylon, Afghanistan and Iran."

3.28. Regarding the question of Joint Programmes for promoting the region of India, Nepal, Ceylon, Afghanistan and Iran, the Secretary, Ministry of Tourism and Civil Aviation stated during evidence that these countries besides Mongolia also, were Members of the South Asia Travel Commission, known as IOTA. The Session of the IOT was held in New Delhi in 1969 which recommended joint efforts for bringing traffic to the region. Unfortunately at this stage, the Commission did not have, fulfledged Secretariat and the recommendations could, therefore, not be implemented by all the countries concerned. However, International Official Travels Organisation was establishing a regional office in Ceylon and when this was established the promotion of regional tourism would be given a boost.

3.29. As per the statistics furnished by the Department of Tourism the Committee note that country like Thailand was receiving more than double the number of fourists than India. Similarly Iran had also made significant progress in recent years and was now well ahead of India. Of late Afghanistan had also achieved a considerable rate of growth in tourist arrivals. It was, therefore. imperative that India should make sustained and concerted efforts to keep pace with the countries in the region so far as the flow of tourist traffic was concerned. In the Committee's view one way doing this was by achieving greater co-operation amongst the countries in the region. The Committee would like to point out that there are many examples of regional co-operation for example the Alpine countries, CanMexUs (Canada, Mexico, United States), Great Britain and Ireland, where besides having combined centres for staff training; provision of tours covering the countries involved; collective area promotion, there is continuing exchange of experience and information between the constituent countries on their domestic traffic and on inter-regional originating traffic. On this analogy, the Committee would commend the concept of re-

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gional co-operation between countries like India, Nepal, Ceylon, Afghanistan and Iran for organising joint programmes for promoting the region.

F. Average stay of Tourists in India

3.30. The table below gives the average stay of tourists in India, from different regions, during the year 1971:—

N												
	North Americ	ans			•	•	•	•		•	18.6	days
	Central & Sou	th An	nerica	ans	•	•	•		•	•	13.7	days
	Western Europ	pe inc	ludin	g U.I	ζ.		•	•	• ,	•	23·7	days
	Eastern Europ	pe	•	•	•	•	•	•	•	•	2 4·7	days
	Africans	•	•	•	•	•	•	•	•	•	42.7	days
	West Asians	•	•	•	•	•	•	•	•	•	29·7	days
	East Asians	•	•	•	•	•	•	•	•	•	29·5	days
	Australian	•	•	•	•		•	•	•	•	16.1	days
					Ave	rage		25.3	days			

3.31. The Federation of Hotel and Restaurant Association of India in a Memorandum submitted to the Committee have stated:—

"We can increase the earnings of foreign exchange from tourists if we can make them happier, more contended and give top-priority for their stay and travel within India, so that their average stay in the country is for a longer period than 25.3 days as recorded for the year 1971....."

3.32. The Committee enquired as to what precise steps had been taken by Government so that the average stay of tourists in India was for a longer period than 25.3 days as recorded for the year 1971.

3.33. Explaining the steps taken to increase the average stay of tourists in the country for a longer period than 25.3 days, the Additional Director General of Tourism informed the Committee thus: —

"The average that we have derived goes up on account of a certain number of factors. If you take the country-wise averages, they come on the basis of the time at the disposal of the tourist teams and the time taken for travelling and the average time they spend in holidays. For example, from the African countries there are a large number of travellers coming to stay for two months here, and the average comes to 42 days whereas in the case of Central and South America it is 13.7 days, because that is the time at their disposal to come to India. What we are trying to do is to make such provision in our Plans as to ensure that the maximum time at their disposal in a particular holiday is spent in India so that we can get the maximum benefit of their stay and travel period. While that may be so, we cannot overlook the fact that more than the number of people who come to India there are people who over-fly. We do want them to spend a part of the time they would otherwise spend in other countries, in India. We want them to halt over the weekend or for three or five days, so that the next time they travel, they or their friends who hear from them, stay in our country for a longer period. This is a promotional measure and a developmental activity."

3.34. The Committee note that the average stay of tourists in India from different regions worked out to 25.3 days during the year 1971. They hope that with the various steps being taken by Government to attract the flow of tourists to India the average stay of tourists in the country would be for a longer period than 25.3 days as recorded during the year 1971 and there would be increased earnings of foreign exchange from the tourists.

CHAPTER IV

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PLACES OF TOURIST INTEREST IN INDIA

A. Development of Tourist Centres

4.1. The Department of Tourism has listed approximately 160 places of tourist interest in the map of India. State-wise distribution of these tourist centres is given at Appendix-I. The salient and essential features of the important tourist centres from the point of view of foreign tourists is given below:—

Western Region

Ι.	Bombay :	Bombay, the Capital of Maharashtra State, is a modern industrial centre and a busy port. It is the starting point for tourists arriving from abroad. Accross the harbour lies the Elephanta Island on which is the 8th century rock cut temple of Shiva having beautiful sculptures. 25 miles north of Bombay are a group of Buddhist caves known as Kanhari Caves.

- 2. Ajanta Ellora : The Ajanta Caves (2nd century B.C. to 7th century A.D.) are a set of Buddhist rock cut Chaityas and Viharas famous for their fresco paintings. The Ellora Caves (7th century to 11th century) which have Buddhist, Hindu and Jain rock cut temples are noted for their sculpture, the most outstanding one being the Brahamanical Kailasa temple.
- 3. Gea: The former Portugese territory south of Bombay on the Konkan coast is picturesque territory having beautiful beaches, mediaeval temples, picturesque water ways and beautiful landscape. The sea journey from Bombay to Panaji, the Capital of the territory, is a pleasant experience.
- 4. Ahmedabad : Till recently capital of Gujarat, Ahmedabad founded by Sultan Ahamedshah is a textile centre with a number of interesting monuments on the Indo-Saracenic style which flourished before the Mughul period. Mahatma Gandhi's ashram on the banks of Sabarmati and the Bal Vatika are of great interest to visitors. In the vicinity of Ahmedabad lies Lethal a harbour which flourished 4500 years ago and is a site of archaeological excavations. The 11th century Sun temple of Mohera lies 75 miles north of Ahmedabad while Nal Sarovar 72 miles from Ahmedabad is a Sanctuary of migratory birds in winter.
- 5. Sasangir Somnath : The Gir Forest is the home of the Asian lion, and now a sanctuary where one can see linons in their habitat. Near the Gir Sanctuary on the sea shore of Prabhas Patan is the newly constructed temple of Somnath.
- 6. Palitana : The Saturnjaya Hill near Palitana has a large group of temples sacred to Jains.
- 7. Sanchi: Budhist monuments, some of them dating before the Christian Era, are found in this village near Bhopal, the Capital of Madhya Pradesh. The Great Stupa with its carved gateways is impressive.
- 8. Khajuraho : This is a little village in Central India and has become a popular centre where visitors flock to see the 10th and 11th century Hindu

		and Jain temples noted for their beautiful carvings. The erotic aspect has intrigued foreign tourists.
· 9.	Gwalior :	One of the biggest Hindu forts is found in Gwalior. It contains huge monolithic Jain statues, temples, palaces and a museum. Nearby 72 miles away is the Shivpuri National Park where one can see Wild Life.
10.	Mandu :	On the crest of the Vindhyas, lies Mandu the Capital of the Sultan's of Malva. It has a number of Pathan monuments.
11.	Kanha Kisli :	170 miles from Jabalpur in Madhya Pradesh lies a beautiful forest area which has now been declared a National Park. It has a variety of wild animals ranging from tiger, bison to deer

Eastern Region

- 12. Calcutta : This is the eastern gateway and is India's largest city and Capital of West Bengal. This is the starting point of the tour of India for those coming from the East.
- 13. Shantiniketan : Located at a short distance from Calcutta is poet Tagroe's Vishwabharati International University. It is a centre of not only education but art and culture as well.
- 14. Darjeeling: A hill resort in the Eastern Himalayas, Darjeeling commands a fine view of snowcapped monuments; it is a popular resort in summer and autumn.
- 15. Shillong : Another resort in Eastern India, Shillong is noted for its scenic beauty and said to resemble the Scottish highlands.
- 16. Kaziranga : A game sanctuary where one can see Indian rhino.
- 17. Bodhgaya : The site where Gautum Budha is supposed to have meditated and attained enlightenment.
- 18. Bhubaneswar, Puri, Konark : These are temple towns of the Eastern Region. Konarak famous for its Sun temple stands on the sea shore; the carvings on its walls are exquisite, some of which are erotic. Puri with its excellent beach has the Jagannath temple, sacred to Hindus. Bhubaneswar the Capital of Orissa, abounds in a number of temples and caves.

Northern Region

- 19. Delhi/New Delhi : New Delhi, the modern Capital of the Indian Republic, is a city of monuments and parks, while Delhi, which used to be the Capital of the Mughals, has the impressive Fort and Jama Masjid. Delhi has been the Capital of a number of dynasties starting from the Pandavas. It is also a place from where a tourist commences his tour of India.
- 20. Agra: Famous as the city of Taj, Agra was the Capital of Akbar who built the fort. The most celebrated monuments in Agra, however is the Taj Mahal, the mausoleum built by Shah Jahan over the grave of his queen Mumtaz Mahal. The Taj Mahal is considered one of the wonders of the world and is the most visited monument in India. Near Agra is the abandoned city of Fatehpur Sikri which Akbar built to house his Capital but later gave it up due to the scarcity of water.
- 21. Jaipur : Capital of Rajasthan, Jaipur known as the 'Pink City' is a fascinating centre within easy reach of Delhi. Its palaces, Hawa Mahal and old Capital at Amber having palaces within a fort are very popular with tourists.
- 22. Udaipur : City of lakes, Udaipur boasts of lovely limpid lakes, island palaces and parks. The Lake Palace hotel on the Pichola lake is indeed

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unique and perhaps the only one of its kind in the East. Within a motorable distance is Chittorgarh, the one time Capital of the rulers of Mewar. Its old fort containing temples, towers, and ruined palaces remind one of the glory of the Rajput rulers.

- 23 Mount Abu : Rajasthan's hill station, Mount Abu, 4000 ft. high, is the summer resort having the famous Dilwara Jain temples which belong to the 11th and 12th century.
- 24. Sariska Game Sanctuary: With a motorable distance from Delhi (120 miles) Sariska is-Rajasthan's Game Sacntuary having a variety of wild animals, which can be viewed from watch-towers or while driving through the sanctuary.
- 25. Varanasi : On the banks of the river Ganges, Varanasi is a city sacred to-Hindus. It has, in its vicinity, Sarnath, a centre of Buddhist pilgrimage for it was here that Buddha preached his first sermon after he attained enlightenment. A number of ancient Buddhistmonuments can be seen in Sarnath.
- 26. Bhakra Dam : Bhakra Dam symbolises India's economic regeneration. It is a multi-purpose project across the river Sutlej and is the site of the highest dam in the world.
- 27. Kashmir : The picturesque valley of Kashmir lies north of Delhi and Srinagar its Capital can be reached in less than two hours by a direct flight. Srinagar with its lakes, canals and river Jhelum is a picturesque city surrounded by snow-capped mountains. A unique feature of a holiday in Kashmir is to stay in a houseboat on one of its lakes or the Jhelum. Within a motorable distance of Srinagar, which is also the Capital of the State, are the Mughul Gardens known for their exquisite beauty.
- 28. Gulmarg: 28 miles away is a resort having winter sports facilities.
- 29. Kulu: A resort in Himachal Pradesh, Kulu Valley is known for its splendid scenic beauty and picturesque people.
- 30. Corbett Named after the well known writteer Jim Corbott, the Corbett, National Park : National Park situated in the foot hills of the Himalayas, lies within a motorable distance from Delhi being 152 miles (245 kms) by road. One can see Tigers, Leopards, Hyenas,, Jackals Wild Dogs, Wild Elephants and a variety of Der.
- 31. Keoladeo Ghana : Situated at a distance of 100 miles (161 kms) South of Delhi and 30 miles (48 kms) West of Agra and 2 miles from Bharatpur is the-Keoladeo Ghana Bird Sanctuary where a variety of birds can be seen during the months of July and August when a number of migratory ducks and geese flock here for breeding; the breeding season goes on till October. Besides birds one can also see a variety of deer and other animals.

Southern Region

- 32. Aihole, Badami, one time Capital of the Chalukyas, Aihole is considered the cradle of Hindu Temple architecture and has almost a hundred temples. dating from 5th century A.D: onwards. Badami has the 6th caves. century rock cut Brahamanical and Jain caves containing interesting: panels. Pattadakal used to be a centre of religion, art and culture during the Chalukyan period and has interesting specimens of 8th century. Dravidan temples. All the above places are in the Bijapur District of Mysore State.
- 33. Madras: The Southern gateway, Madras is the starting point for a tour of South India. In its vicinity lie Mahabalipuram, the ancient por. of the Pallavas having rock-cut monuments, and Kanc. heering

the Capital of the Pallavas which is a temple town having magnificient temples. Fondicherry, 100 miles from Madras, is famous for the Shri Aurobindo Ashram, and Aurovi le, and international centre of the Aurobindo Ashram.

- 34. Tanjore, Tiruchi, Madurai: Tanjore the Capital of the Cholas has the famous Brihadeeswara tempe. Tiruchi short for Tirchirapalli, is another temple town having the temple of Ranganathswami at Srirangam. Madurai a centre of Tamil culture has the mighty temple of Meenakshi.
- 35. Kanya Kumari: The land's end of India—this is where the Indian Ocean, the Bay of Bengal and the Arabian sea meet. Besides the temple of Kanya Kumari there is a Gandhi Mandap and Vivekananda memorial at Kanya Kumari.
- 36. Trivandrum: Capital of Kerala, Trivandrum is a city built on hills. Kovalam Beach, 8 miles from Trivandrum is a sea resort offering good sea bathing.
- 37. Quilon and Alleppy : North of Trivandrum, these have beautiful back-water scenery Kerala's wild life sanctuary at Thekaddy is 165 miles north of Trivandrum.
- 38. Cochin: The major sea port of Kerala is 135 miles from Trivandrum and is reached by a very picturesque road route which skirts along the beach.
- 39. Bangalore-Mysore : Bangalore, the Capital of the State of Mysore, is a garden city and the starting point for Mysore 72 miles away and Belur and Halebid temples belonging to the Hoysala period 11-13 century. Mysore has nearit the Krishnaraj Sagar Dam and Brinda ban gardens as also Srirangupatna the Capital of the Muslim ruler of Mysore. Belur and Halebid can be visited both from Bangalore and Mysore and are known for their exquisite carvings Bandipur Game Sanctuary 50 miles from Mysore abounds in wild life.
- 40. Hyderabad : Capital of Andhra Pradesh, Hyderabad is a handsome city having in its vlcinity Golkonda Fort and the Nagarjunasagar Dam 100 miles away. Its Salarjung museum is reputed to be one of the latest one man collections in the world.

Buddhist Shrines :

Lumbini, Bodhgaya, Sarnath, Kushinagar. The main Buddhist centres of pilgrimage are Lumbini (In Nepal) where Buddha was born, Bodhgaya where Buddha sat in meditation under a Bodhi Tree and attained enlightenment; Sarnath where he preached his first sermon in the Deer Park and Kushinagar where he attained Mahaparinirvan.

4.2. Regarding the development of Home Tourism, the Secretary, Ministry of Tourism and Civil Aviation explained the position as follows:

"The question of domestic tourism is very important no doubt, but it would be beyond the capacity of the Department of Tourism as the Department of Tourism at present is not constituted to cater, for the ever increasing domestic **vourism**. We have largely concentrated on foreign tourism. This is not to say that we have completely neglected home tourism. We are trying to establish facilities for home tourists also in the sense that youth hostels, travellers lodges, are being put up at various places. But home tourist as such, as I think it to be ultimately the responsibility of the State Governments concerned and not the Central Government. It would be extremely difficult for the Central Government to take on responsibility of domestic tourism. Vast sums of money running into thousands of crores would have to be provided because of the size of country and the problems. We would have to set up facilities in places of pilgrimage. There are so many places of interest all over the country. It is an onrous task I am not saying that it should not be done, but in our present position, the Department of Tourism is not equipped to perform."

4.3. Clarifying the position further, the Secretary, Ministry of Tourism and Civil Aviation explained the position as follows:

- "The Department of Tourism has the main objective *i.e.* to earn foreign exchange through foreign tourism. Home Tourism is of great importance also. I am not minimising the importance of home tourism. What I am saying is that in our present circumstances I do not think it is possible for the Department (in its present shape and size and funds) to really go in a mass way to cater for the needs of purely domestic tourism. It would be very wrong if we were to build a place for foreign tourists only and not for Indians.
- Tourism is a subject which interest both the Centre and the States....I do not say that the Department of Tourism has no responsibility at all in, the setting up of tourism infra-structure. Obviously it is not purely for foreigners. These facilities are also for home tourists but by and large in our present state I think the question of domestic tourism should be of more interest or rather greater concern in the matter of provision of infra-structure to the State Governments concerned.
- As far as the State Governments are concerned, certainly at all levels, official level, political level, Ministerial level, we try and persuade and do our best to get the State Governments to allot as much as they can for tourism for providing the infra-structure which will be used by the common man. As far as we are concerned Parliament

allots us a certain budget. In the 4th Plan, we have got some money. It is within that money that we have to provide facilities. Every State has places rich in scenic beauty and history. Every Member of Parliament is naturally and very rightly anxious that some development in the way of tourism infrastructure should be done in his State. Obviously, we have to work under a system of priorities. This again has to be tied up with the question of what we can earn. If we invest a certain amount of money, will we be able to get a reasonable return, preferably in hard currency, which our country needs. It is the responsibility, I submit very respectfully, of the State Governments to provide facilities also. I can say that within the budget allotment that we have, it is impossible to provide facilities at every place of tourist attraction. We have to work on a system of priority."

4.4. When asked as to whether any comprehensive survey of the possible tourist spots resorts in each of the States had been undertaken, the Secretary, Ministry of Tourism and Civil Aviation admitted during evidence that they had not made any comprehensive survey of the type the Committee had in view. The Additional Director General of Tourism amplifying the point further stated that so far as they were aware, no State had undertaken detailed surveys, but they in the Central Department of Tourism had mounted up surveys during the last few years in different parts of the country. They had completed the survey of Jammu and Kashmir, the study was a very comprehensive one and would give them lead points in regard to other States also. They had been in touch with 5 or 6 State Governments on undertaking surveys of specific parts of those States also e.g. Tamil Nadu, Kerala etc. Amplifying the point further, the Additional Director General of Tourism stated that J&K Survey was undertaken with a view to eliciting the views of the tourists, both domestic and foreign visiting there on what they felt wanting and to what extent they were satisfied with existing facilities. The survey was undertaken by the Indian Institute of Public Opinion. They had received the Report sometime back and had forwarded it to the State Government also.

4.5. Regarding undertaking similar surveys for other States, the representative of the Ministry of Tourism and Civil Aviation stated:

"We would be happy to do that; but first of all, the States should propose a list of tourist projects. It may not be possible for us to assess the relative importance of each of these places. When we started our exercise relating to the V Plan projection, we suggested to the State Governments that they must list all the projects which they consider as good in the market of tourism; and thereafter. we would take up the surveys in relation to such specific projects as would offer attraction in a developed condition, within the next few years. Every State has a number of The question first is to make an inventory of places. those places. Secondly, there are some places, visited both by domestic and foreign tourists. The third is, what has been developed in places where communications have been built up; and also where infrastructure is still to be taken up. But the basic work is listing of infrastructure and the preparation of the inventory of the whole thing. This has been suggested to the State Governments."

4.6. The Committee note that there is perhaps no other single country in the world which contains the wealth and diversity of tourist attractions that India offers to visitors. Whether it is the magnificent Himalayas or the three mighty oceans that meet at Kanya Kumari, the incomparable Taj Mahal or the great temple cities of South India with their breath-taking architecture and sculpture, the wild life sanctuaries where the Indian tiger still roams in majesty or the glittering beaches of Goa **Keral**a anď Mahabalipura, the frescoed caves of Ajanta or the rock-cut splendour of Elephanta, the eretic sculpular ecstasies of Khajuraho and Konarki intricately sculpted temples of Halebid and Belur: the fabled vale of Kashmir; the modern attraction of our four great metropolitan cities of Delhi, Bombay, Calcutta and Madras. fact remains that India abounds with numerous places of tourists attractions. While the Committee note that good deal of efforts are being made to develop places of tourist interests to attract foreign tourists, much remains to be done to develop places which attract home tourism. In the Committee's view both the foreign tourism as well as domestic tourism are important. While foreign tourism brings foreign exchange and promotes international understanding, domestic tourism fosters national integration and instils amongst the people the consciousness of a single nationhood. The Committee, therefore, considers that while sustained and concerted efforts should continue to be made to develop places to attract foreign tourists, a strong tourism consciousness should also be created in the country among the Central and State Governments, the local bodies, the tourists. travel trade and hoteliering industry to create infrastructure for home tourism at much more rapid pace than hitherto.

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4.7. The Committee would, therefore, stress that comprehensive surveys be undertaken to identify and develop places of tourist interest in the country as a whole, with a view to identify places for immediate development which are likely to attract foreign tourists and those which would attract home tourists.

B. Formulation of a National Plan for Development of Tourism

4.8. In a note submitted to the Estimates Committee, it has been represented that:—

"....Every State is anxious to attract as many tourists as possible to its region and if the efforts of various States all over the country are not coordinated and generalised into a uniform and cohesive plan, a lot of confusion and conflict of interest may arise....Further some of the States are not as tourism oriented as they should be."

4.9. In another Memorandum furnished to the Committee, it has been stated that "both the Indian Airlines and Air-India have their programme for development of Tourism in future. Similarly, the State Governments and Centre too, have schemes for development of tourism. But what is, perhaps, lacking is a master plan integrating all these projects into a whole fabric for a coordinated growth, bearing in mind at all times the tourist requirements of comfort and satisfaction."

4.10. In another Memorandum submitted to the Committee, the Travel Agents Association of India has observed:

"Numerous efforts have been made to prepare schemes programmes for the development of tourism to India. Foreign experts and a United Nations Development Programme Team have also applied their minds and have produced thought provoking reports, which are already with the Ministry of Tourism. We would state however that all concerned are aware of the problems faced by the tourist industry and their solution are also outlined. It is only the question of immediate implementation of these already known solutions that is required. As stated earlier, the various wings of the Government need to be made increasingly tourism conscious and if a National Plan is formed at the highest level, the goal of promoting tourism to India in a large way could be realised. It is important to note that this plan will have to be accorded the highest priority and a co-ordinated decision to implement the

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same by all the Ministries involved would be absolutely essential."

4.11. The India Tourism Development Corporation, in a Memorandum submitted to the Committee, has stated that:---

"The performance of various State Organisations in the development of tourism varies considerably. Although certain States have made considerable head-way, there are others which have totally disregarded the need for planning for tourism and even provision of basic infra-structure has been neglected. It is clear that Central resources. can never be expected to meet all tourism development needs throughout the country. A very large measure of responsibility rests with the State Governments who need to be encouraged to take immediate measures to protect and improve tourist attractions and the tourist environments in their States. This includes protection of monuments, preservations of wild life, sanitary conditions, road communication, water supply to tourist destinations etc. It is also important that the States assume greater responsibility for providing adequate infra-structure for domestic tourism which is increasing very rapidly. In view of the resources situation the Centre will clearly need to concentrate its energies on foreign exchange earnings. However, tourist industry throughout the world is based on a firm foundation of domestic tourism. Therefore, rational all-India Plan for the development of infrastructure to meet domestic needs is essential for which the States must assume major responsibility."

4.12. Giving their views on the formulation of a National Plan for Promotion and development of Tourism, the representatives of the Travel Agents Association of India stated during evidence thus:—

"Our association very firmly believes that tourism has to have an objective. A nation which embarks on the field of tourism must first establish the aim, why it wants foreigners to come and visit its country. We have a large population fn our country. It is not merely for numbers that we are seeking foreign tourists. Our association also firmly believes that the aim of India for purposes of tourism should be basically one of earning foreign exchangeand to generate employment at proper level. The otheraims such as good-will between nations are, I think, in the hard sense of the term very high platitudes, but every nation indulges in tourism for the sake of foreign exchange and employment and economic activity. If we admit that this is the aim that our nation has for tourism, then

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that this is the aim that our nation has for tourism, then our association thinks that a plan for tourism should be developed with the sanctity of the highest authority of the Government of India.

We do believe that it is a department of the Government of India or a Ministry of the Government which formulates. the plan connected with its activities, and we further believe that it has to be scrutinised by the Planning Commission and the Planning Commission has to sanction it. However, in actual practice, we find that as the activities of tourism impinge on the activities of various other States and various other Ministries, namely the Ministries of Finance, Home Affairs, External Affairs, States, local bodies, the Civil Aviation authorities etc. we feel that if the Parliament which is the supreme body could do it, or some importance could be given to it by Parliament or by the Prime Minister, that is, to the needs and requirements of the development of tourism, then perhaps the other Ministries would listen with greater attention to the Ministry of Tourism. We feel that the Ministry of Tourism need not be convinced, but our problem is one of convincing the other Ministries."

4.13. The witness added that some sort of Policy declaration! resolution on tourism was needed. He was also of the view that some sort of round table conference similar to the one convened by the Prime Minister in October, 1966 would be of great help. In his view unless the value of tourism was recognised at the highest level and Parliament gives it the stamp of approval by a resolution, there could not be proper development of the industry.

4.14. Regarding the formulation of a Master Plan for development of Tourism in India, the Secretary, Ministry of Tourism and Civil Aviation during his evidence stated thus:—

"I may briefly indicate the method that we are adopting and have adopted for integrating the activities connected with tourism. When we started formulating our Plan we set up working groups dealing with each aspect. The groups were so constituted that inter-action may be possible. For instance the representative of the Department of Tourism was on the working group which was formulating and considering the plans of Air India as well as Indian Airlines. He was also on the group that was considering the development of our Airports. In addition there was a representative of the Planning Commission on our groups. All interests were represented. This was done so that the requirements could be dovetailed, and there could be integrated planning. We also have a facilitation Committee. The Committee has a representative of not only the Ministry but a representative from the Health Ministry. There is also a representative from the Home Ministry, for immigration. There is a representative from the Ministry of Finance from the point of view of Customs. This Committee considers problems and tries to find solutions to difficulties. We have taken а number of corrective and concrete measures to speed up the clearance of passengers disembarking at international ports."

4.15. To a question whether any thought had been bestowed to "the formulation of a National Plan for 'Tourism' based on national objectives, in consultation with all the segments of the tourist industry, the Additional Director General of Tourism stated during wevidence thus:—

"In the Fifth Plan we have entrusted the State Governments to formulate what they could consider as plans for the State areas and forward them development within to us. We have forwarded to them certain thinking that we have had about the whole country and in keeping with that they would like to supplement or anything to add. We can set up that scheme with them. Ultimately this exercise has to be done some times later. So, we thought we may primarily do so. Five or six States have sent their plans and we are discussing. Other States have them have established their problem. Some of are drawing a plan and they so working groups that they can send them on to us. While it is no doubt true that the States are anxious to secure maximum number of tourists for themselves, there are developments which are to take place before they are ready. One of the failures in the past has been that they did not have a Department of Tourism in many States. We are coming to that organisational aspect. That is a fringe activity of the Department of Information in some of the

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States and information is a very live thing and it invariably geared to the local department of the States which takes most of the time of the Directors. While we are taking that aspect of it, we will certainly agree with the point that has been mentioned here about the thinking of a perspective plan. Our broad objectives must be stated in relation to a much longer period than in relation to Five Year Plans or annual plans and these Five Year Plans and the Annual Plans must be a continuous planning affair....This process of planning will have to be somewhat changing from time to time in order to do better than what was before, but the broad objectives have to be stated for a longer period. The point taken by the Committee is very well stated here that for the purpose of achieving our objectives, we must think and have a perspective plan for a much longer period. . . ."

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4.16. In their post evidence replies, furnished to the Committee, Government have further explained the position thus regarding their views on the formulation of a National Plan for the growth and development of Tourism in the country:—

"The Fifth Five Year Plan on Tourism is based on the objectives of attracting 800,000 tourists by 1978 and 100,000 tourists by 1980. It is also targeted that by the end of the Fifth Plan, India should earn annually Rs. 100 crores from tourism. The Fifth Five Year Plan for Tourism is thus geared to achieving these objectives, and as this will require a coordinated and concerted effort on the part of all the segments of the travel industry, close liaison is being maintained with the State Governments and travel trade members through their representatives on the National Tourist Board in the formulation of the Fifth Plan. Although the Plan necessarily has to be broken up into 5 year periods on the basis of the availability of resources, planning in respect of major projects is being done on a long term basis."

4.17. In reply to a point whether any comprehensive survey of the possible tourist spots resorts in each of the States had been undertaken apart from those already well-known, the Department of Tourist have stated that:—

"Surveys have been undertaken for the development of winter sports facilities at Gulmarg, for providing tourist faci-258 LS-4 lities in Kulu-Manali complex, of places of archaeological centres of interest to tourists and of beaches at Mahabalipuram, Kovalam and Goa for the development of resorts at these places. The last two surveys have been undertaken with the assistance of the UNESCO and UNDP respectively. These surveys have been conducted to assess (1) the tourism potential of the places, (2) the type of tourists they can attract, (3) facilities available. (4) facilities which need to be provided and (5) legislative measures required to protect the environment of historical archaeological monuments and places of natural beauty."

4.18. The Committee note that the progress of development of Tourism in various States varies considerably. While some of the States have made considerable headway in the development of areas of tourists importance in their respective States, there are other States, where the provision of basic infra-structure to attract tourism has not kept pace with the growth of tourist traffic in the country.

4.19. The Committee further note that numerous efforts have been made to prepare various schemes programmes for the development of tourism in India. The Committee also note that foreign experts and the United Nations Development Programme Team have also applied their mind and have suggested various measures in their reports submitted to the Department of Tourism. In the Committee's view, while all concerned are aware of the problems faced by the tourist industry and their solutions are also outlined, what is perhaps lacking is implementation. This is primarily due to the absence of a master plan integrating all these projects into a whole fabric for a coordinated growth and development. The Committee would, therefore, recommend that the Government should draw up a perspective master plan for tourism all on India basis, so as to provide a frame-work for the next and subsequent Five Year Plans and to determine priorities.

C. Tourist Promotion Policy Resolution

4.20. It has been represented to the Committee that "if the tourist industry has to progress and to attain its rightful place amongst the priority export industries, then it is extremely important that a tourism policy declaration should be made by Parliament. This will give the highest sanctity and importance to the tourist industry by the highest body of our country. Anything short of a resolution by the Parliament on tourism would not be able to achieve the coordinated development that is called for on the part of various Ministries of the Central and State Governments and various civic organisations." The Committee enquired whether the Government had any plans to lay on the table of the House a "Tourist Promotion Policy Resolution" similar to the "Export Policy Resolution" laid on the Table of both Houses of Parliament in the year 1970.

4.21. In a written note furnished to the Committee, the Department of Tourism have stated that the Government had no such plans for the present.

4.22. A number of non-official organisations who appeared before the Committee urged that Government should formulate a tourist promotion policy and bring it forwarded as a Resolution, so that the policy in this behalf is put on a stable and assured basis. The Committee would like Government to examine this matter in all its aspects. The Committee feel that it would certainly be helpful if the national policy concerning tourism could be laid down in some depth and firmness, so as to provide a clear frame-work for implementation at all levels.

D. Special Projects

L. Gulmarg Winter Sports Project

4.23. This project with an estimated outlay of Rs. 111.30 lakhs was cleared by the Expenditure Finance Committee in 1968. The hotel component of the project estimated at Rs. 32.00 lakhs for a 3 star hotel was transferred to the India Tourism Development Corporation thus reducing the outlay on the project of the Department to Rs. 79.30 lakhs. Out of this amount, Rs. 39.78 lakhs constituting 50 per cent of this outlay had been spent upto the period ending 31.3.1971. Due to escalation in costs and subsequent enlargement in the scope of the project, it was recast with an outlay of Rs. 250.00 lakhs (inclusive of the expenditure already incurred) and the revised EFC Memo was cleared by the Expenditure Finance Committee on 25-9-71. A further expenditure of Rs. 9.76 lakhs was incurred upto 31.3.1972 bringing the total so far spent on the project to Rs. 49.54 lakhs.

The main features of the project are:-

- (i) A road from Tangmarg to Gulmarg (already completed except for black-topping and other minor works).
- (ii) Erection of an aerial passenger ropeway chair-lift and ski-lift.

- (iii) Establishment of a Ski School.
- (iv) A Ski-hire shop.
- (v) Snow-clearing operations.
- (vi) Purchase of ski, mountaineering and snow-clearing equipment.
- (vii) Construction of restaurant cafeteria at Gulmarg and Khilanmarg.
- (viii) Preparation of a Master Plan of Gulmarg.

A 60-room centrally-heated hotel will be constructed by the ITDC at an estimated cost of Rs. 110.00 lakhs.

4.24. The Ski Instructors Training School (now named as the Indian Institute of Skiing and Mountaineering) started functioning at Gulmarg in January, 1969 and the final examination in skiing was held in March 1972, and the final examination in mountaineering in June, 1972.

4.25. Ski equipment of the value of Rs. 4.18 lakhs was imported from Austria and West Germany in 1969, and snow-clearance equipment at a cost of Rs. 4.08 lakhs from West Germany in 1970. Some equipment such as two portable ski-lifts, a prinoth (snow-beating machine) have also been received under the U.N. Technical Assistance Programme. A few items have also been purchased from indigenous manufacturers and a few more items are awaited from UNDP, particularly an artificial ski-slope for teaching skiing in the summer.

and a practice ski-lift for beginners 4.26. A rope-tow proved useful for teach-1969 installed in December. as visitors. trainees as well ing skiing to our own The erection of a 500-metre long chair-lift was completed and was inspected by the Directorate General of Supplies and Disposals in March 1972. Estimates amounting to Rs. 40.36 lakhs for the installation of an aerial passenger ropeway were approved by the Ministry of Finance on 1-3-1972 and the sanction was issued to CPWD on 3-3-1972, for inviting global tenders through the Directorate General of Supplies and Disposals. The master plan of Gulmarg has been propared to ensure its regulated growth for the next 10 to 15 years.

4.27. The Estimates Committee (1968-69) in its 90th Report (Fourth Lok Sabha) on the Department of Tourism observed thus so far as the development of Gulmarg project was concerned:---

"The Committee note that a total allocation of Rs. 1.6 crores has been made for the Gulmarg Project and that a sum of Rs. 50 lakhs has been spent on this project by the Central and the State Governments so far. The remaining amount would be spent over a period of five years during Plan. The Committee have been informed Fourth the that the selection of Gulmarg as a winter sport resort has been made on the advice of international experts. They regret to note that the economics of developing winter sport resort at Gulmarg vis-1-vis other places in Himachal Pradesh and U.P. hill districts has not been worked out by Government. The Committee are not sure whether the spent proposed to be on huge amount this project would be commensurate with the results achieved since Kashmir remains snow bound for months together during winter and thus cut off from the rest of the country, with no good communication like dependable air and road services during the months of January and February. They also doubt whether winter sports facilities, created at such expense at Gulmarg will be taken advantage of either by the foreign tourists coming from Europe or America who have easy access to highly developed winter sport areas in their own countries or near about or by domestic tourists with whom it is not popular vet particularly when during winter all modes of communications to Gulmarg are practically closed and when other essential facilities are lacking. The Committee are inclined to feel that the amount proposed to be spent at Gulmarg could be spent more usefully in identifying and developing other areas in Jammu and Kashmir itself or in other parts of the country which would result in attracting larger number of foreign tourists. This is all the more pertinent in view of the reduction of financial allocation for tourism during the Fourth Plan and the need to develop more tourist sports rather than spend heavy amounts on one or two prestigeous projects like the Gulmarg Project. In the circumstances stated above, the Committee would like the Government to evaluate the economics of this project carefully and to reconsider whether this project could be deferred for the time being."

4.28. While furnishing replies* to the action taken by Government on the said recommendation, Government have explained the position thus: —

- "For the reasons presented before the Committee..... it was decided to develop Gulmarg as a winter sports resort in preference to other places in the Himalayas that have not been declared out of bounds for foreign tourists. Restrictions have been placed on the movement of foreigners to places beyond the Inner Line in U.P. and West Bengal which offer possiblities of developing winter sports though these places are not as easily accessible as Gulmarg. In Himachal Pradesh, Kufri is the only place where skiing is undertaken. But due to the shortness of season and restrictions placed by the nature of terrain coupled with uncertainty of snow-fall, winter sports at Kufri have limited possibilities of development as compared to their development at Gulmarg, which enjoys better ski slopes, snow conditions and longer season. The second place in Himachal Pradesh which offers possibilities of winter sports development is Solang valley 18 miles beyond Manali. But the place is even more remotely located than Gulmarg and the basic infrastructure being nil, the investment will have to be of a much higher order than the provision made for the Gulmarg Project in the Tourism Plan. Here again the ski slopes at Solang offer limited possibilities, and the place does not offer as wide a scope development as Gulmarg.
 - As the basic data on physical features showed that quite apart from the intrinsic superiority of Gulmarg over other places as possible sites for developing winter sports, it was in effect the only really suitable place and, therefore, it was decided that we should not undertake what would have been an expensive comparative study of the economic feasibility report on Gulmarg vis-a-vis other places suitable as winter sports resorts. The economic feasibility of the Gulmarg Project, however, has been worked out in the Memorandum submitted to the Expenditure Finance Committee, which has approved it.

^{*130}th Report of Estimates Committee (Fourth Lok Sabha) pp. 67-68.

- The winter traffic by air to Srinagar has practically doubled in the last 2 years. There have also been less number of disruptions in the air service to the valley as compared with previous years. With the completion of the installation of ILS equipment at Srinagar airport, and the expected convenient availability of better aircraft, it will be possible to maintain an air-link with the valley with minimum disruptions. The completion of the Tangmarg-Gulmarg road has now made it possible to reach Gulmarg within 2 hours of landing at the Srinagar airport. The extensive publicity which flows from present developmenttal activities it will be possible to attract year round tourist traffic to Kashmir Valley as the facilities to be provided will also be utilised by the summer tourist traffic. Similarly, with intensive publicity it should be possible to attract Europeans, who go all the way to South America to ski, to journey to Gulmarg for winter sports. The numper of skiers in the world is also growing at the rate of 10 to 12 per cent per year, and therefore the growing market of winter sports enthusiasts needs only to be tapped to divert some of this traffic to Gulmarg.
 - The Himalayas hold an attraction and there is no reason why this attraction cannot be profitably turned to advantage by inducing tourists to visit Gulmarg for skiing and other winter sports.
 - Apart from the fact that considerable time, effort and money have already been spent by the Central and State Governments on this Project, the Department of Tourism is confident that given adequate financial support, Gulmarg can be developed into a winter sports resort of international standard. There is thus no valid justification for deferring the Gulmarg Project for the present as suggested in the Report."

4.29. The UNDP Team in its report on Tourism have made the following specific comments on the Gulmarg Project:

'Gulmarg is a Kashmir hill resort at a height of approximately 2,500m at the end of the valley in which Kashmir's capital Srinagar is located. Kashmir has a marked summer season and the development of Gulmarg is seen as a major factor in creating a winter season. A good road leads from Srinagar to Gulmarg. Gulmarg was unplanned and, therefore, a somewhat confused settlement of bungalows, huts, western style hotels and Government tourist huts. Its present apperance could be much improved by a thorough "clean-up." The summer attraction of Gulmarg is the Himalayan scenery, mountaineering, golf, shooting and fishing. It would urgently need a Swimming-pool. Dhobi Ghat could provide a little artificial lake by a dam of 4 to 4 meters near the Quarry area. This lake with a size of 200m X 40m would be in winter a natural ice-rink, usable for skating ice hockey, curling, etc. It would also be used by means of a Francis turbine to operate a small hydro-electric equipment to supply Gulmarg with enough electric current for street lighting.

- (ii) Another proposal, made by the UN ski expert at Gulmarg concerns the installation of a climatic sanatorium with different therapeutic treatments, like hydro-therapy, electrotherapy (if current available), physical therapy, as an allyear round attraction.
- (iii) Sport training could be concentrated in Gulmarg as a summer and winter training camp, not only for India, but for the whole of South East Asia: an Academy for Sports and Physical Culture could be located at the valleybottom of Gulmarg. International sport competitions for summer sports as well as for winter sports could be a further step in the development of this unique area.
- (iv) Gulmarg is an outstanding area for a concentrated development project as a winter sport centre. But such a development must be based on constructive planning to avoid the enormous danger of despoliation, pollution and destruction. Mr. Joseph Alleh Stein, an American architect living in India, is very much concerned with these problems of tourism development and suggests an integrated research before touching the last unspoilt mountain area, the Himalayas. He sees a solution in the foundation of an 'Institute of Mountain Environment and Design', perhaps at an international level.
 - 'Such an Institute could draw upon existing knowledge, organise it into accessible and useful forms, and disseminate it through linked regional or local institutions to the men who do the work, make the decisions and spend the money in carrying out development programmes. In a

very few years, the Institute could assemble enough information, held sufficient seminars and work-meetings, etc., that with a small full-time staff plus assistance of short-term visiting experts, it could offer solutions for most characteristic and typical mountain environment problems, including building types, planning elements such as bazaars, parking facilities, engineering standards for roads, retaining walls, protective drainage systems,

-) etc. The knowledge and expertise gained in the development of the Himalayas; the new-found American consternation over the effect of pollution, and the mounting interest in Ecology could all be integrated through the goodwill and concern already existing. it an effective organisation or Institute were in operation.'
- (v) These considerations are very well-founded, as many experiences in the tourism development in American and European mountain areas demonstrate.
- (vi) There is no doubt that the natural conditions of the landscape in and around Gulmarg are appropriate for the development of a first class skiing area, but any proposals must be preceded by thorough examination of the existing and future touristic infrastructure. This concerns all the necessities and their consequences around the two fundamentals in tourism:

accessibility and transport, housing and equipment.

- (vii) Gulmarg is connected with Srinagar by a road via Tangmarg. Only a middle strip is covered with asphalt, consequently endangering traffic. The road from Tangmarg to Gulmarg is a mountain road and needs special care. It also should be asphalted as it can be kept open during the winter by the use of the snow clearing equipment stationed at Gulmarg. The practice should be dropped of stopping the motor traffic to Gulmarg at the beginning of the valley-basin and requiring the visitors walk the 1.5 km to the hotels. An unbroken road connection to the different public buildings, like hotels, institutes etc., is in absolute requirement for the projected development of Gulmarg.
- (viii) The road up to Gulmarg needs higher retaining walls to prevent landslikes and road-blocks by scree. Provided the road from Srinagar Airport to Gulmarg is kept in good

condition, mini-buses could bring vistors and their equipment from the Airport to the hotels at Gulmarg.

- (ix) Another problem is the position of Gulmarg in relation to the nearest railway station with direct services to Delhi and other centres. This railway station is Jammu, at a road distance of 450 km from Gulmarg. Flight cancelations affected by unfavourable weather conditions possibly for a number of days, are a real risk in the Gulmarg wuter development. Any alternative in transport must be studied and—if possible—organised.
 - (x) Other means of transport are the specific technical installations giving access to ski-slopes like skilifts, chairlifts, aerial rope ways etc. The already existing installations, ski-lift, rope tow and chairlift need expert installation. They need to be reconstructed to get the optimum in length and in transport capacity.
 - (xi) Another very important point is the snow-availability of the area within a certain period of the year. Snow-fall begins in Gulmarg normally in the second half of December. This could mean that the Christmas season may be disappointing for people who came up to Gulmarg for skiing. The solution to us, is to construct chairlifts up to Lily White Shoulder and Lily White Nallah, where skiing is possible for 8 months, from October to the end of May. Officers of the HAWS (High Altitude Warfare School) confirmed by their own experience the existence of perfect skiing possibilities on ideal snow-fields at this altitude. These additional chairlifts would be also a summer attraction, bringing visitors up to an altitude of 4000m, offering a unique view over the range of the Himalayas with five 8000m peaks: Nanga Parbat (8120m), Hiden Peak (8050m). (8700m), Gasherbrum (7992m), Broad Peak (8030m) and

Mosherbrum (8021m).

- (xii) It is recommended that under the United Nations Development Programme a project be completed for the construction of these two skilifts as soon as possible. This would be a completion of the necessary wintersport infrastructure of Gulmarg.
- (xiii) Accommodation planning and modernisation of the existing housing facilities face two problems. The first is heating.

The increasing use of food for fuel ultimately will mean a diminution of trees, a change of the landscape and possibly a change in the weather conditions. This question has to be studied and consideration given to technical systems of heating, like solar-system electric heating, etc.

- (xiv) The second is a system of sewers eliminating the already existing danger of despoliation, which would grow proportionally to the development to tourism, if the obligation for conservation and ecological balance is not sufficiently regarded.
- (xv) At present accommodation is a weak point in Gulmarg's presentation. Two hotels with 80 beds each, four smaller hotels with 160 beds altogether, 60 beds in the existing tourist bungalows and about 140 huts with 5 couches each, offer 1,080 overnight possibilities, but only in summer. In winter, the Highland Park Hotel and the DAK-bangalow offer the only accommodation for guests at Gulmarg. Considerable investment in accommodation facilities, heating and water installation has to be made, either by public means or by private initiative with the help of Governmental loans on easy terms.
- (xvi) Srinagar could be compared to Zurich in concept since clients arriving in Zurich have a 60 minute transfer to Lucerene plus a 60 to 90 minute transfer from Lucerene to the various ski areas. With the development of Gulmarg as an international ski centre, Srinagar could become the hub of activity with many skiers preferring to stay in the city of accommodations are available and still be able to enjoy the benefits of Gulmarg.
- (xvii) Gulmarg could be an outstanding pilot project and all possible means should be concentrated on the creation of a perfect summer and winter mountain resort with extensive sport facilities. But planning and execution, we repeat, must be expert, professional and technically up-to-date. This means using experienced experts and firms, which are specialised in the different fields of equipment and installation in mountain areas. Especially skilift and chairlift construction and their set-up can be done properly only by skilled specialists. We should refer to the reports of the UN adviser on development of winter-sports in India, Mr. Otto Santner, especially to his development programme

1970—74, which contains not only the outlines of investment, but goes very much into details about the organisation and the resort operation. It is essential that a practical person with brain power and energy is leading the development work. He must be a man who feels at the same time responsible for the conservation of landscape, recognises the fundamental importance of maintaining ecological balance and sees tourism as "powerful and persuasive force for constructive planning", but also fighting against commercial greed, political short-sightedness and technical incompetence.....".

- (xviii) We had the benefit of an assessment of the project by Dr. Mc Diarmain who made a special visit to Gulmarg in April, 1971. His conclusions agree with ours in that the potential is there for development and that the resources needed "will be of large magnitude". An estimate of the outlay is given by the Department of Tourism:
 - "Taking into account its over-all development inclusive of the infrastructure 'lifts', equipment, etc., the outlay of Gulmarg will be to the order of Rs. 50 to Rs. 60 million in the first phase of its development the foreign exchange component being about Rs. 20 million or US 2.6 million. It would cover an aerial passenger roperway from Gulmarg to Khilanmarg, different types of 'lifts' all the way to Apharwat, heating equipment for the hotel, Ski School and other buildings ice-stadium for ice-skating, ice-hockey and curling, equipment for the hotel equipment for an indoor heated swimming pool and sauna baths, ski, mountaineering and golf equipment, snow clearing equipment, heated cars and coaches, fellowships and scholarships for training in sking and mountaineering, an expert on heating, etc."
 - (xix) With the Government of India's determination to go ahead with the Project and provide appropriate investment there is also the likelihood of UNDP help for additional expertise and equipment not available in India. It has also been suggested that external aid might be available on a bilateral basis from a country that has experience in the development of winter sport centres.

4.30. The Committee note that the Gulmarg Winter Sports Project with an estimated outlay of Rs. 111.30 lakhs was cleared by the Expenditure Finance Committee in 1968. The hotel component of the project estimated at Rs. 32.00 lakhs for a three star hotel was transferred to the India Tourism Development Corporation, thereby reducing the outlay of the project of the Department of Tourism to Rs. 79.30 lakhs. The Committee note that out of this amount Rs. 39.78 lakhs constituting 50 per cent of the outlay had been spent upto the period ending 31st March, 1971. Due to escalation in costs and subsequent enlargement in the scope of the project it was recast with an outlay of Rs. 250.00 lakhs (inclusive of the expenditure already incurred). The Committee note that a further expenditure of Rs. 9.76 lakhs was incurred up to 31st March. 1972 bringing the total so far spent on the project to Rs. 49.54 lakhs. The salient features of the scheme are:-

- (i) A road from Tangmarg to Gulmarg (already completed except for black-topping and other minor works).
- (ii) Erection of an aerial passenger ropeway .chair-lift and ski-lift.

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- (iii) Establishment of a Ski-School.
- (iv) A ski-hire shop.
- (v) Snow-clearing operations.
- (vi) Purchase of ski-mountaineering and snow-clearing equipment.
- (vii) Construction of restaurant/cafeteria at Gulmarg and Khilanmarg.
- (viii) Preparation of a Master Plan of Gulmarg.
 - (ix) A 60-room centrally-heated hotel will be constructed by the India Tourism Development Corporation at an estimated cost of Rs. 110.00 lakhs.

4.31. The Committee hope that the completion of the Gulmarg Winter Sports Project will augment tourist traffic to India.

II. Kovalam Beach Resort Project

4.32. The Expenditure Finance Committee cleared the project with a total provision of Rs. 221.58 lakhs—Rs. 86.58 lakhs by the Department of Tourism and Rs. 135.00 lakhs by the ITDC in September, 1970. The main components of the project as indicated in the project are:

- (i) A beach service centre comprising administrative office, information office, shops and restaurant. This concept has since been changed. The Centre now however a restaurant changing rooms and a first aid centre.
- (ii) A yoga-cum-massage centre.
- (iii) A jetty with boat house and recreational facilities (there is some rethinking on the construction of a Jetty and a boat house).
- (iv) An open-air theatre.
- (v) A 100-room hotel.
- (vi) 40 cottages.

4.33. The land along the beach and the palace property comprising 43 acres of land acquired by the State Government, as also the land and buildings in the possession of the State Government, were transferred to the Department of Tourism on 23rd October, 1970. The Kovalam Palace Hotel started functioning under the management of ITDC from 24th October, 1970. An expenditure of Rs. 14.90 lakhs was incurred by the Department upto 31st March, 1971 on the acquisition of land and palace property and on the architect's fee. The project is being executed through the agency of the ITDC, and during 1971-72 an expenditure of Rs. 8.55 lakhs had been incurred by the ITDC on the project. The beach service centre has been completed and the Yaga-cum-massage centre and preliminary work on the open-air theatre were in progress. The construction of 40 cottages has been completed and there were inaugurated in December, 1972. The 100 room hotel is expected to be completed in mid-1973.

4.34. The UNDP Beach Resort Development Survey Team which undertook a field survey of the beaches at Kovalam, Goa and Mahabalipuram in November-December, 1972, was expected to submit their report in July, 1973.

4.35. The UNDP Report (1970) observed thus so far the development of Kovalam as a beach resort was concerned:

"(i) Kovalam is an unspoiled beach resort, 8 miles outside Trivandrum on Kerala's palm-fringed west coast. The Department of Tourism prepared in August 1970 a "Memorandum for the Expenditure Finance Committee" with the subject: "Development of Kovalam as a beach resort of international standard". This paper is based on the consideration that "Sun and Sand" was, and still is, the attraction in tourism which caused a great tourist movement to the South in Europe and in the United States of America. The development of the southern parts of Europe, of the North African coastline, the West Asian **Coasts,** the South of the USA with all the many and different seaside resorts, inspired an international operating firm and the Tourism Department of India to select Kovalam as an object of beach development for the international tourist market as well as for Indian holiday makers.

- (ii) In fulfilling its basic purpose of attracting destination traffic Kovalam would benefit by the CIT's which are regarded as creative fares for areas at the early stage of tourism development. This implies the extension of landing facilities at Trivandrum. At the time of our visit to India there was nothing at Kovalam except a tiny bath house and the rather poor 21-bed Kovalam Palace Hotel, a former Maharajah's summer house which does not deserve the denotation "palace".
- (iii) It is necessary to start with a well harmonised development programme. This programme has to consider the capacity of the different beach areas, as all construction of accommodation, sport and entertainment facilities has to be in accordance with the possible or desired number of guests. The development area extends from Edyar Lake to the light-house promontory. By natural separation this whole area is divided into 4 parts which allow each a special planning and development.
- (iv) The annual construction plan we have seen envisages accommodation facilities, a beach centre, a Yoga-cum-Massage Centre, an open-air Amphitheatre and the necessary infrastructure, roads, paths, electric supply, water supply, drainage system, telephone and telegraph installations. Besides, supplementary services will be necessary, a medical service (at least first aid), beach installations, showers, deck-chairs, parasols, sand cleaning scraper, etc. The advice of a competent expert on seaside resorts would be helpful for the completion of the Kovalam project and for the consideration of special squatic sports.
- (v) The above-mentioned memorandum expects that the initiative taken by the Government in its projected investment at Kovalam will attract private and public enterprises to take up activities in this new tourist area. These

will include shopping facilities, entertainment, local transportation, excursion arrangements, personal services, etc. The accommodation provision by the ITDC is covered in the memorandum.

- (vi) The basis for the calculations of financial implications are the plans and estimates of the architect and a survey statement that the destination traffic to India increased by 2.25 per cent each year between 1965/66 and 1968/69. Another assumption is the annual 15 per cent rate of growth of tourist arrivals in India and a foreseen 5 percent portion for visits to Kovalam. We state our hestitation about this extrapolation of given and estimated trends. The number of tourists visiting Kovalam will depend—besides any world situation influencing tourism as a total—on:
 - (a) natural attractiveness of the Kovalam beach,
 - (b) number, kind and equality of existing facilities,
 - (c) equality of services and maintenance,
 - (d) prices and market value,
 - (e) accessibility and transport organisation,
 - (f) marketing of Kovalam on the tourist market.
- (vii) Kovalam will have to compete with very many other beach resorts all over the world and it must, therefore, market special attractions. One of them could be the Yoga-cum-Massage Centre, as Europeans and also Americans are eager to anything for mental and physical relaxation and recuperation. But the success of such an attraction is dependent on marketing organisation at techniques.
 - (ix) It is very clear that there are many opportunities within this project for a number of special studies and for expert services. It seems logical to benefit from the experience for some similar existing seaside resorts. It is recommended, therefore, that there should be a study of some of the most important and most famous beach resorts in their planning, execution of projects, construction, organisation and operation. Such a visit should be a real informative study travel of a specially trained and responsible working group. This could help to see the Kovalam project in a more realistic light.

- (x) This does not mean that the existing programme is **re**moved from reality, but it is in some of its aspects very optimistic. On the other hand, it must be said that the initiative of the Indian Tourist Department to enter into international competition of worldwide seaside and beach offer can be a good step forward and could add new features to the tourist picture of India. There is a primary need for plan of the coastal area to preserve the areas for tourist development and make separate provision for other development and overall for planned growth.
- (xi) It is risky to incest money and efforts in the development of areas which are internationally practically unknown, but any tourist development had to start somewhere. Therefore, the Kovalam project may be considered with the Gulmarg project as two worthwhile pilot projects with the aim to broaden the tourist image of India and worthy of UNDP support."

4.36. Man has a great fascination for sea. In the Western countries, such as, France, Italy and Spain, beach resorts have been developed by providing accommodation and varied recreation. The sea water has been fully used for water sports like sea bathing, skiing fishing, boating and yachting. Thus, the sea side resorts have become very popular with the tourists all the world over. The Committee are glad to note that the Department of Tourism have launched the Kovalam Beach Resort Project. The main components of the project are: (i) A beach service centre designing a restaurant changing rooms and a first aid centre; (ii) A yoga-cummassage centre; (iii) recreational facilities; (iv) an open -air theatre; (v) A 100-room hotel; and (vi) 40 cottages. The Committee hope the completion of the Kovalam Beach Resort Project will give a big boost to the flow of tourist traffic to India.

4.37. The Committee note that the UNDP Beach Resort Development Survey Team undertook a field survey of the beaches of Kovalam, Goa and Mahabalipuram in November-December, 1972 and their report was expected by July, 1973. The Committee hope that further development of Kovalam Project would be determined in the light of the Report of the UNDP Survey Team.

III. Development of Goa

4.38. The provision of Rs. 20.00 lakhs had been made in the Fourth Plan for the development of beaches at Goa. The proposed beach 258 LS-5.

resort development survey was expected to be completed during the current financial year after which the details of the scheme will be worked out for implementation.

4.39. The UNDP Team in their report on Tourism in India (1970) observed thus so far as development of Goa was concerned:—

- "In our opinion, Goa is one of the most interesting areas, which could immediately be developed to become a centre of tourism of high attraction for the following reasons:
 - (a) Goa has all natural pre-conditions, *i.e.* lovely beaches, gentle coasts, palm woods and a very charming scenery in the back country. Furthermore, Goa is run through by rivers and brooks, giving a special attraction to the whole country.
 - (b) Developed infrastructure. Goa has a sufficient road network to almost all places of tourism. It would only be necessary to build short junction roads.

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- (c) Close to the beaches, there are everywhere smaller and larger villages tourists can visit. What is still missing, however, are a few additional bridges in order to havemore points t_0 cross the rivers.
- (d) Goa, as a former colony, was very much under European Christian influence and has a great number of interesting Christian churches and monuments. In Goa is also the tomb of St. Francis Xavier. Many religious orders have built their homes and churches in Goa. At the same time, there are just as many Indian temples and visitors have thus the possibilities to see both cultures side by side.
- (e) Gastronomy—Goa has, for European taste, a very attractive cuisine, mainly consisting of sea-food. In addition, Goa is one of the few areas with relatively little prohibition, that means not only hotels serve alcoholic drinks in bars and restaurants, but there are also many little pubs and restaurants where one eats excellently or can just have a drink.
- (f) Cashew, a local brandy, is surley very attractive for western taste. It iffls similar to the Hungarlan or Yugoslavian Slivowitz.

- (g) Goa has already a certain touristic image and a good reputation and is, therefore, more favoured than Kovalam, which has to start *de nove* to build up a name and an image abroad.
- (ii) Goa is in need of a tourist master plan, protecting all areas of touristic development. For understandable reasons Goa has permitted, without a long-term view, the establishment of certain industries, which may conflict with the development of tourism of beach areas and of parts of the back country. As soon as the ore mining in the back country is intensified, the products of which are shipped by river boats to the harbour, other transportation systems should be developed, if possible under water pipe lines.
- (iii) The tw_0 most interesting beaches are Kolva Beach in the South and Calangute Beach in the north of Panjim.
- (iv) Kolva has the longest beach and a marvellous far-reaching panorama. Unfortunately, near Dabolin Airport a fertiliser industry is under construction, the chimneys and smoke of which will be seem from Kolva Beach. We consider this a most disturbing factor, which might affect the whole touristic development of Kolva Beach.
- (v) Calangute Beach can immediately be developed. It has marvellous beachs and in addition little ledges and pays. Every single one of them would be suitable for a most attractive hotel building. Fishing cottages and fishing boats are characteristic for the beach. They cover only a part of the beach and leave enought space for tourists Right behind the dunes are little villages with picturesque houses, which are only partly occupied.
- (vi) Once reasonable hotels with all facilities and service are existing, these houses could be renovated and redecorated and then let as additional accommodation by a central agency. Tourist bungalows should only be built in connection with hotels.
- (vii) The fact that the way from Dabolin Airport to Calangute Beach is longer than to Kolva Beach due to the crossing of two rivers, is of little importance as tourists visiting Goa normally stay longer than one to two days. In this

case, the time to reach the place of destination does not matter. Now, after the bridge near Panjim is constructed, it only takes about $1\frac{1}{2}$ hours to reach Calangute Beach.

- (viif) In Goa we heard complaints that the bureaucratic procedures are extremely obstructive to the construction of new hotel buildings. There are enough interested investors and enough money, but government officials from Goa informed us, the Central Government does not react on the planned projects.
 - (ix) Before permitting the establishment of future industrial projects in Goa, it is recommended to wait for a tourist master plan, protecting the appropriate areas while providing for industrial and other development.
 - (x) We strongly recommend an immediate intensified tourist development of Goa, which could become an attraction for tourists and provide an early return on investment. Then more time would be available to re-study the plans for Kovalam, to have them completed by experts, if necessary, and to visualise the project as long-term development."

4.40. The Committee note that Goa is one of the most interesting areas which could be developed to become a centre of tourism. It has lovely beaches of Colva, Calangute and Dona Paula, gentle coasts, line palm woods and very charming scenery in the back country. Apart from the scenic beauty, Goa abounds in historical land-marks and monuments, churches, temples, forts. Combined with the natural attractions of the land, location of Goa on the West Coast of India not far from Bombay, offers a vast scope for drawing tourists both international and domestic.

4.41 The Committee note that Government had made a provision of Rs. 20.00 lakhs in the Fourth Plan period for the development of beaches at Goa and a beach resort development survey was expected to be completed shortly. The Committee would recommend that to exploit the tourist potential of Goa, a compact and intergrated plan with long term objectives should be formulated. The aim of such a plan should be comprehensive development of tourist beach resorts, roads, hotels and other ancilliary facilities and amenities like development of handicrafts folk dances and folk music. 4.42 The Committee have no doubt that Government would keep in view, the necessity for preserving the pristine beauty of Goa and its incomparable beaches, while deciding the loaction of new industrial ventures.

IV. Development of selected Buddhist Centres

Bodhgaya-Rajgir Nalanda Complex

4.43. The Plan outlay contains a provision of Rs. 20.00 lakhs for the development of the Bodhgaya-Rajgir-Nalanda complex. An expenditure sanction amounting to Rs. 13.00 lakhs for the acquisition of 22 acres of land around the Mahabodhi Temple, at Bodhgaya was issued in 1970. The land is yet to be transferred by the State Government. For the cafeterias at Rajgir and Nalanda, the State Government and the Archaeological Survey of India have made available land free of cost to the Department. Plans and estimates for the cafeteria buildings are under preparation.

4.44 The Committee welcome the proposed development of Bodhgaya-Rajgir-Nalanda complex. The Committee hope it would help the flow of tourist traffic from countries like Japan, Thailand, Burma and Ceylon, who have sizable Buddhist population.

4.45 As is well-known, international interest is being increasingly evinced in the religions of India. The Commttee would, therefore, like Government to keep this potentiallty in view while considering schemes for established pilgrim centres.

V. Development of Andaman and Nicobar Islands for promotion of Tourism

4.46. It has been stated that there was no Department of Tourism in Andaman and Nicobar Islands. The Assistant Secretary (Publicity) under the Development Commissioner was, however, looking after the programmes under Tourism. The schemes for development of tourism in these islands were at present confined to construction of tourist lodges and development of picnic spots.

4.47. It has been stated that no survey had been undertaken to estimate the number of persons visiting Andamans and to assess the adequacy of tourist facilities here. However, it was estimated that on an average 400—500 tourists visited Andamans in a year. A proper survey for assessing tourist facilities here was, however, absolutely necessary to evolve suitable tourist development programmes. 4.48. It has been stated that in the absence of a separate Tourist Department, no specific measures had been taken to encourage the inflow of home tourists to this Territory. However films had been produced by the Film Division projecting the salient features of these Islands.

4.49. The Andaman and Nicobar Administration have suggested the following measures for development of tourist in Andaman:—

- (i) If the embargo on foreigners' entry into this Territory cannot be lifted for strategic reasons, atleast some islands should be opened up for tourist traffic.
- (ii) Concessional rates should be offered by the I.A.C. and the Shipping Corporation for tourists.
- (iii) A fulfledged Tourist Department should be set up under a Class-I Officer, with units located at Madras, Calcutta and Delhi. Wide publicity should be given to the tourist potential of these islands by these units by means of booklets and suitable display advertisements.
- (iv) Means of travel between these islands and the mainland should be made quicker and more frequent. More frequent shipping services should be introduced between the various islands so that the tourists arriving at Port-Blair can visit the tourist spots in other islands within a reasonable short-time.
- (v) Adequate incentives should be given to the private enterprise for setting up good hotels and lodges here for the convenience of all classes of tourists.
- (vi) Package programmes for tourists should be organised from the mainland to these islands.

4.50.Asked whether they had drawn up any perspective plan for the development of tourism in Andamans and if not, whether such a plan was necessary for planning the development of infrastructure and other facilities in the area. In reply it has been stated that there was no perspective plan for the development of tourism in Andamans. Such a plan was necessary for planning the develoment of infrastructure and other facilities in the area. This plan could be drawn up only after proper survey has been carried out. 4.51. Regarding the hotel facilities it has been stated there were no hotels worth the name either in the private or public sector to cater to the needs of tourists. However, Government Rest Houses were available in most of the Islands. There were 35 such rest houses. It had however been tentatively suggested in the approach paper to the Fifth Five Year Plan which was being prepared, that more lodges and tourist homes should be constructed in various islands to accommodate middle class tourists. The details were yet to be worekd out.

4.52. Regarding Transport facilities it has been stated that there were available to tourists in Port Blair and were confined to the bus services run by the State Transport Department. Taxes were also available. But services were available in Rangat, Mayabunder, Dglipur and Car Nicobar also. For going to other islands, shipping services were available from Port Blair to Southern group of Islands approximately one in a fortnight and from Port Blair to Northern Group of Islands twice to four times a week.

4.53. The Committee note that there was at present no Tourist Department in Andaman and Nicobar Islands with the result that no specific measures had been taken to encourage the flow of tourists to the territory. The Committee fruther note that the tourist infrastructure in the territory viz., hotels, road transport etc., were also lacking. The Committee would, therefore, stress that a proper survey for assessing tourist facilities in the territory was of paramount importance to evolve suitable development programmes. The Committee would, therefore, recommend that survey of the tourist spots in the territory might be attempted and also a well-coordinated perspective plan formulated for the growth and development of tourism in Andaman and Nicobar Islands.

4.54. The Committee are convinced, after a visit to the Andaman and Nicobar Islands, that these have great potential for tourism. The islands are located away from the mainland and this, in itself, should offer an exciting trip, particularly for the younger generation. The Committee regret that no concrete steps have so far been taken to carry out detailed survey of these islands, nor develop centres of tourist interest. The Committee feel that as Government have now the expertise and experience of developing such sea tourist centres by ITDC, a survey of the islands should be urgently carried out, with a view to locate beaches and other centres which would be of tourist attraction.

4.55. As regards foreign tourists, the Committee have no doubt that Government would examine the matter in all its aspects, keeping in view the fact that there is a growing trend the world over, for spending vacations at places which have sun and surf facilities; and' these abound in Andaman and Nicobar Islands.

E. General

(i) Development, upkeep and maintenance of Tourist Centres

4.56. It has been represented to the Committee that the Development, upkeep and maintenance of Tourist Centres has a vital role in promotion of Tourism and that for developing infra-structure facilities at Tourist Centres, there should be separate Departments with ample funds. Giving the Government views in the matter, the Department of Tourism have explained the position thus:—

"Tourist infrastructure comprises accommodation, transportation, roads, water supply, electricity etc. In so far as the latter three items are concerned they are the responsibility of the State Government. As regards accommodation and transportation, depending upon the type of development, these are provided and maintained either by the-Department, India Tourism Development Corporation (ITDC) or the State Government. The Department of Tourism is in the process of working out an arrangement with the ITDC for excecuting, maintaining and managing various facilities that are proposed in the Tourism Plan. This will ensure proper and uniform maintenance and management of tourist facilities being provided in the-Central Sector. In so far as major integrated projects are concerned, they are either being executed, maintained and managed through the ITDC as in the case of the Kovalam Project, or a separate Project Office is set up headed by a Project Administrator as in the case of the Gulmarg Project."

4.57. A leading hotelier in a Memorandum submitted to the Committee has stated:---

"It is unfortunate that it has not been possible so far for a proper overall development plan to be made for areas around places of tourist interest. For instance, the biggest tourist attraction in India is the Taj Mahal, yet the town of Agra and the surroundings of the Taj Mahal are a shambles. This whole area could be developed to be one of the most attractive in the world, instead of which it is probably the ugliest. In order to rectify the situation it

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is necessary that a Cell is set up in the Department of Tourism which consists of town planners who should make a Master Plan for the development of all towns where monuments tourist attraction are located. It should become incumbent on the municipal authorities in each of these towns to follow the Master Plan in sanctioning all development. The environment that the tourist goes into is vital for the impressions that he carries away."

4.58. In another Memorandum submitted to the Committee, the Travel Agents Association of India, have stated:—

"The development of tourist centres should be undertaken on the basis of the tourist preferences. In other words priority should be given especially for developing such centres in relation to the resources available and the tourist preferences. Tourist centres and particularly sites which tourists visit, must have the basic amenities such as a cafeteria, clean toilet facilities, some sort of a pavilion or resting area and clean environment. These facilities are at present totally neglected and at many places even proper toilet facilities do not exist. Tourist centres must be surrounded by souvenirs, shops, restaurants and such other recreation facility which would be pleasing to the tourists and would mean money making for those engaged in such shops and trades."

4.59. The Committee consider it regrettable that after two decades of tourism planning, it has not been possible so far to evolve a proper overall development plan for areas around places of tourist interest. In this connection, the Committee note that the biggest tourist attraction in India is the Taj Mahal, yet the town of Agra and the suburban areas present a very distressing picture, when it could have been developed as one of the world's most attractive tourist spot. The Committee would stress that it should be possible for the Central Department of Tourism to persuade the State Governments/local bodies in each of these towns to adhere and conform to a Master Plan drawn up for development of places of tourist importance.

4.60. The Committee further consider that if we have to attract tourists in sufficient numbers, it was of paramount importance that tourist centres and more particularly places which are more frequented by foreign tourists, must have the basic amenities such as cafeteria. clean toilet facilities, suitable resting area and clean environment. The Committee would, therefore recommend that necessary steps may be taken in this regard.

(ii) States in which Tourist Developments are lacking

4.61. When asked as to what were the States which require development of tourism and where the development was taking place for want of funds or interest and what concrete measures would you suggest to develop the tourist spots in these States, the Department of Tourism have stated that:—

"Central Tourism Plan is not formulated on Statewise basis but on the actual or potential attractions which a State offers to tourists. *Inter-se* priorities for the development of tourist centres is fixed on the basis of the pattern of tourist traffic, tourist profile, accessibility of the centre and availability of funds."

(iii) Development of Backward Areas of Tourism Potential

4.62. In a Memorandum submitted to the Committee, the Federation of Hotel and Restaurant Associations of India have stated:--

"Whilst on the subject, we may mention that Central Government gives certain incentives to industries if they are set up in specified backward regions, the Union Government, under a scheme announced in August, 1971 offers to pay an outright grant or subsidy to the extent of 10 per cent for new units, if set up in scheduled backward districts as notified by Government. This scheme is applicable to all industrial units whose fixed capita; investment is less than Rs. 50 lakhs. Projects of more than Rs. 50 lakhs investment would be considered on merits. It is understood that the Union Government had allocated Rs. 5 crores during 4th Plan for payment of subsidy. It is suggested that the Hotel Industry, too, should be made eligible for this subsidy as there are several backward areas like Aurangabad, Goa, Daman etc. where hotels can be set up, thus creating new jobs for the unemployed."

4.63. The Committee enquired whether Government had drawn out any concrete plans for the development of backward areas of tourist potential in different States similar to the schemes drawn out by different States for attracting industries to the backward areas in their respective areas. In reply, the Government have explained the position thus:—

"The Department of Tourism has not drawn up any concrete plans for the development of backward areas of tourist potential in different States as factors governing their development would be their easy accessibility, availability of adequate supply of water and electricity and comparative importance of potential tourist centres in backward areas vis-a-vis other tourist centres in the States which offer better possibilities of development. The development of tourist centres have, therefore, to be considered on a different basis from that of the development of industries . . ."

4.64. With regard to the question of drawing up plans for development of backward areas of tourist potential, the witness stated that fundamentally he felt that as the States themselves through other economic activities were opening up more territories, tourism should form part of that development. Several Task Working Groups/Advising Groups had been set up to make specific recommendation and for the last three months the State Governments had been constantly making an assessment of the situation.

4.65. Regarding the plea for the development of backward and small States, particularly in the North-Eastern region, comprising of three States the witness stated that in many parts of the country and the areas which had been mentioned were probably restricted areas or restricted areas for foreign tourists. So to make investment there, though the areas were beautiful and might have tourism potential, would be a sort of blocking up of the investment. No foreign tourist would be allowed to go there. The witness added that from the point of view of security and other national considerations, relaxation of the present restrictions in certain areas would not be desirable.

4.66. The Committee note that at present Government gives certain incentives to industries set up in specified backward regions. On the same analogy the Committee would like Government to examine whether the Hotel Industry too should be made eligible for this subsidy for setting up hotels in the backward areas which are important places of tourist interest. (iv) Beggar Nuisance

4.67. For various social and economic reasons, the problem of beggars is more acute in India than perhaps any other country in the world. This problem has become so much a part of the tourist scene that it is apt to be accepted as an unavoidable feature of our environment without realising the deterrent effect it has on the promotion of tourism. The irony of it is that the nuisance is concentrated in areas most frequented by tourists, thus giving them a distorted image of the country.

4.68. As far back as in 1963 as a result of scientific surveys conducted by the Standford Research Institute (California) and other reputable research institutions in the country it was established that poverty and beggar nuisance were the most deterrent factors in the promotion of tourism in India. The PATA Survey Report of 1968 also highlighted the fact that among all the Specific Area destinations. India was one of the few destinations that elicited more unfavourable than favourable associations. In 1969. the Indian. Institute of Public Opinion also conducted а survey of foreign tourists in India. According to their report 6.7 per cent of the respondents complained about the beggar nuisance, 5.2 per cent about insanitary conditions, and 6.7 per cent about dishonesty and unfriendliness.

4.69. It has been stated that the worst type of the nuisance was caused by beggars of the following type:—

- (i) Women with children.
- (ii) Persons suffering from incurable diseases or physical handicaps.
- (iii) Professional adults and children moving in gangs or alone.
- (iv) Persons hawking evening newspapers or persons conducting animal performances in streets.
- (v) Shoe shine boys persistently soliciting business.
- (vi) Pedlars in foreign exchange indulging in illegal transactions.
- (vii) Touts acting on behalf of taxi drivers, shops or hotels.
 - (viii) Unauthorised guides, palmists, postcard vendors, flagsellers, and
- (ix) Pimps etc.

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4.70. It has been stated that these persons not only persist in soliciting business or alms from foreign tourists but also try to pick their pockets or snatch clothing causing such offence and disgust, that all the good impression which they might otherwise gain about India are obliterated. The Department of Tourism have stated that while it is not the intention to conceal our economic conditions and do window-dressing for tourists, the Department of Tourism has always taken the stand that parading poverty before tourists is no solution to an internal economic problem for which the tourist is not to blame.

4.71. The matter had come up several times before the Tourist Development Council where the State Government representatives assured the members time and again that this nuisance would be dealt with adequately and that the places of tourist interest in their respective States would be freed from this menace. No appreciable improvement appears to be seen in this direction.

4.72. It has been stated that as a result of the various reports and recommendations, some meetings took place between the Planning Commission, Ministry of Finance, Ministry of Home Affairs and the Department of Tourism to thrash out the question of funds for the creation of a special tourist police force in India. A proposal was made that there should be a pilot scheme for introducing special police force in Delhi. Pending clearance of this scheme, the Delhi Police deployed a unit consisting of one A.S.I. and four constables to perform the duties of Tourist Police Force on certain focal points in Delhi. However, even this facility was provided in a sporadic manner and had now been completely withdrawn.

4.73. Doubt had been expressed whether the Tourist Police Force working under the control of the general Police Administration of various State Governments, could continue to be deployed exclusively for this work only, considering other pressing priorities and assignments to which they were inevitably subjected.

4.74. At the same time, it has been stated that the Department of Tourism could not take over police functions without detriment to its other legitimate areas of operation. After all, the idea of having a Tourist Police Force was not to safeguard any of the Tourism Department's own personnel, installations or property but rather to ensure the free movement of foreign tourists while sightseeing, shopping etc. in India. It had to be realised that tourists were at a disadvantage in filing complaints with the police and pursuing them because their stay was short and foreigners hesitate getting involved with the police. There was thus a clear need for some special attention being given to foreign tourists. It was necessary for the various administrative organisations in the country to reorient themselves to tourism and make it their special concern and assume responsibility for the protection of person and property of tourists from petty crimes and annoyances which mar the good impressions gained by them of this country.

4.75. It has been stated that the nuisance created by professional beggars, touts etc., was brought to the notice of the Prime Minister last year by a party of American tourists who were greatly harassed by the beggar nuisance at various places in India. The Prime Minister took serious note of the problem and personally addressed a circular letter to the Chief Ministers of Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, Tamil Nadu, Kerala, Andhra Pradesh, Goa, Daman and Diu, Maharashtra and Orissa to Governors of Mysore and Gujarat and the Lt. Governor of Delhi. In her letter, the Prime Minister stated:—

- "I am writing to you on a matter which seriously affects the good name and image of our country. Our efforts to promote tourism are being marred by the large number of beggars and touts who loiter in the vicinity of places of tourist interest and harass foreigners for alms. Foreign tourists are willing to put up with other inconveniences, but the presence of diseased, crippled and often naked beggars pursuing them creates such offence and disgust that all the good impressions which they might otherwisegain about India are obliterated.
 - This is what American tourists recently wrote to me from: Agra:
 - We earnestly recommend that you pass legislation to exclude all peddlars and beggars from vour national monuments and other sites of international interest. These are not your genuine poor who are infesting such holy or time-honoured places, but rather what our excellent and deeply concerned guide lecturer yester-(Even day termed 'the sophisticated beggar'. the Peddlars fit in that category, because of their outrageous prices.) In eight trips overseas, my housemate and I have nowhere seen anything like them. They are well-fed aggressive, incredibly persistent, and in

defeat are shockingly mean. You in your position have never imagined such intrusive harassment. Neither even in the Arabian countries, had we. We wanted you personally to know about it, for after many days even our best natured companions (we are a study-tour party of 31) and our craziest shoppers have become exhausted with this treatment; and an overwhelming majority have said they feel overwhelmed, and would never want to come here again. These are almost all teachers in our public schools.

- They will go home and word will spread. We most respectfully suggest that effective legislation be accompanied by international press releases in acknowledgement of this problem and announcement of its solution."
- I understand this matter has been discussed by the Tourism Development Council, where State representatives have repeatedly given an assurance that action will be taken. However, judging by the number of complaints, which are still being received, it seems that nothing substantial has been done. I hope that immediate action will now be taken to ensure that places frequented by tourists are kept clean and free of beggars, touts and peddlars. Α list of important monuments in your State is enclosed, where vigilance on the part of the police and the municipal authorities is necessary. Similar action should also be taken at the tourist offices of the Central and State Governments, museums, important shopping centres, and in the vicinities of hotels, restaurants, and railway and airline terminals.
- We can ill afford to lose the foreign exchange which tourism brings in, quite apart from the unfavourable image which the ubiquitous beggars project."

4.76. It has been stated that the response to the Prime Minister's letter had been almost negligible. A part from routine acknowledgments from some States, no concrete steps had been reported. Since eradication of this problem so far as foreign tourists were concerned could be achieved only if there was an all-round effort by everybody concerned, State organisations should give priority to this matter so that one of the major irritants coming in the way of tourism promotion might be removed or at least minimised. (v) Tourist Police

4.77. It has been represented to the Committee that "there is a need for tourist police to ensure that at the airports and other tourist centres, tourists are not bothered by touts and beggars." The Committee enquired as to how far the creation of a new cadre of 'Tourist Police' was practicable and feasible and how far the creation of new cadre of 'Tourist Police' would be able to put an end to the menace of touts and beggars at the airports and other places of tourist interests. In reply the Government have explained the position thus:—

- (i) "The Department is in favour of a tourist police though it is of the view that this police force should work under the general administration of the Police Authorities in various States. Originally, the proposal was that the Department should bear expenses because doubt was expressed whether a Tourist Police Force working under the control of the general police administrations of various State Governments could continue to be deployed exclusively for this work only considering the other priorities and assignments to which they would be inevitably subjected."
- (ii) "The present thinking is that the Department of Tourism cannot take over police functions without detriment to its other legitimate areas of operation. In line with this thinking the State Governments have been impressed more than once by the Tourist Development Council to give sufficient attention to the harassment suffered by tourists at the hands of beggars, touts, taxi drivers etc. It is the view of the Department that if greater attention is bestowed by the State Governments in organising proper surveyance, it is possible to put an end to the menace of touts and beggars at the airports and other places of tourist interest."

4.78. On the question of menace of Touts and creating Tourist Police, the Secretary, Ministry of Tourism and Civil Aviation, during evidence explained the position thus:

> "We have very strongly taken up the question of touts etc. with all the authorities concerned. Even the Prime Minister has written letters to the Chief Ministers. At

our own level, we have taken it up with the State Governments concerned. We are constantly at it. It will be good if this could be stressed by the Committee that such nuisances harm the image of India. It is not only the foreign tourists; even when we Indians go to Connaught Circus with our family, we are being harassed by taxiwallahs etc. People come and suggest foreign exchange transactions in violation of the laws. We have asked for tourist police. Such police could help the tourists and this would not be a great financial burden. Unfortunately, almost every State Government, while appreciating the need for tourist police, says that they have no funds for the purpose. Now, the maintenance of law and order is a State subject. I think your valuable support would go a long way in easing our problems."

4.79. The Committee note that as far back as 1963, the scientific surveys conducted by the Standford Research Institute (California) and other reputable research institutions in the country, established that poverty and beggar nuisance were the most deterrent factors in the promotion of tourism in India. Similarly the PATA Survey Report of 1968 also highlighted the fact that among all the specific area destinations India was one of the few destinations that elicited more unfavourable than favourable associations. The Committee further note that the Indian Institute of Public opinion also conducted a survey of foreign tourists in India. According to their report 6.7 per cent of the respondents complained about the beggar nuisance, 5.20 per cent about insanitary conditions and 6.7 per cent about dishonesty and unfriendliness. The Committee further note that fhe nuisance created by professional beggars, touts etc., was also brought to the notice of Prime Minister by a party of American tourists who in turn addressed a circular letter to the Chief Ministers of UP, Bihar, Madhya Pradesh, Rajasthan, Tamil Nadu, Kerala, Andhra Pradesh, Goa, Daman & Diu, Maharashtra and Orissa and also to Governors of Mysore. Gujarat and Lt. Governor of Delhi. The Committee are, however, perturbed to note that inspite of the fact that the problems of beggar and touts nuisance has been so often highlighted in the various surveys etc., and in the circular letter of the Prime Minister to the State Chief Ministers of various States, nothing concrete appears to have been done so far to put an end to the vicinity of places of tourists interest and harassing the foreign tourists. The Committee, therefore, feel that if tourism is to flourish in India, it is high time that immediate action should be taken to ensure that places frequented by tourists are kept clean and free of beggars, touts and peddlars. Similar action need also be taken to keep clear the tourist

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offices of the Central and State Governments, museums, important shopping centres, the vicinities of hotels, restaurants, railways, and airlines terminals, of beggars and touts. The Committee would like to be informed of the concrete measures taken to bring about the necessary improvement.

CHAPTER V

ACCOMMODATION

A. Hotel Accommodation

5.1. The Hotel Review and Survey Committee which submitted its report in February, 1969 approved 166 hotels in the country as suitable for foreign tourists with a total capacity of 8807 rooms as on 31-12-1968. The announcement by Government of various concessions/incentives in the form of tax/fiscal reliefs etc., for the hotel industry has created sufficient enthusiasm among the new hotel enterpreneurs. Consequently, considerable progress has been made in building new hotels in the country. Since the end of 1968, 26 new hotels have been completed including two public sector hotels viz., Hotel Ashoka, Bangalore, and Hotel AKBAR, New Delhi, adding a total of 1575 new rooms. Some of the hotels, however, have been removed from the approved list on account of their failure to observe the prescribed regulatory conditions and the present position is that there are 175 hotels on the approved list of the Department offering a total capacity of 10,715 rooms. These hotels are located at the following places:

City											Number of hotels	Rooms
I											2	3
Agra ·	•	•	•	•	•	•	•	•	•	•	3	230
Ahme d abad	•	•	•		•	•	•	•	•	•	I	43
Allahabad			•	•		•	•	•	•	•	2	29
Amritser	•	•	•	•	•	•					2	35
Aurangabad	•	•	•		•	•	•		•	•	I	23
Bangalore		•		•	•	•	,	•		•	5	346

I											2	3
Baroda •	•	•			•			•	•		I	28
Bombay					•	•	•	•			21	1673
Calcutta	•	•	•			•	•	•	•		8	792
Chandigarh	•	•	•		•		•	•	•		I	33
Cochin .	•			•	•	•		•	•	•	5	170
Coimbatore	•		•			•		•			2	122
Coonoor	•			•	•	•		•	•		2	59
Dalhousie	•			•	•	•			•		2	35
Darjeeling	•	•			•	•			•		3	130
Dehra Dun	•	•			•	•			•	•	2	25
Delhi .	•	•		•	•	•			•	•	22	2538
Dhanbad	•	•		•		•	•		•	•	I	12
Ehoru .	•	•	•	•	•	•	٠	•	•	•	I	23
Faridabad							•		•	•	I	39
Gauhati	•	•		•	•	•	•		•	•	I	20
Goa.	•					•					4	122
Gopalpur—	on sea	ι.					•		•		I	20
Gulmarg			•								2	79
Gwalior						•			•		I	24
Hubli .							•				I	58
Hyderabad/S	Secun	derat	ad			•		•		•	5	151
Indore .					•		•				I	20
Jabalpur											I	55
Jaipur .							•				4	155
Kanpur			•			•					I	37
Khajura ho	•					•					I	28

La												
I											2	3
Kodaikanal	•					•					I	25
Kota .		•			•		•			•	I	19
Kottayam		•				•					I	21
Kovalam											I	40
Calicut .			•			•			•		2	38
Kulti .											I	18
Lucknow	•		•	•			•				I	64
Madras .									•	•	15	1093
Madurai								•			I	57
Mangalore										_	I	50
Manipal	•					·	•	·		•	ī	23
Matheran							•				I	-5 2 ⁶
Mount Abu									•	-	I	26
Mussourie							•		•	•	3	165
Mysore .				•	•		•	•	•		3	161
Nainital				•						•	2	48
Nizama bad									•	•	I	35
Ootacamund			•		•	•	•	•	•		2	117
Patna .				•			•			•	2	37
Poona.									•	•	3	171
Puri					•		•	•		•	I	32
Quilon .					•	•	•	•		•	I	18
Ranchi.				•	•		•	•	•	•	I	22
Ranikhet					•	•	•	•	•	•	2	37
Solem .					•	•	•	•	•	•	I	40
Siliserh .			•		•	•	•	•	•	•	τ	8
Simla .			•	•	•	•	•	•	•	•	2	98

I										2	3
Srinagar .					<i>′</i> .					2	150
Tiruchirapalli		•		•	•	•	•			I	21
Trivandrum .								•		I	32
Udaipur	•				•			•	•	3	123
Varanasi		•	•	•		•		•	•	I	73
Vijaywada .	•	•		•	•	•	•	•	•	I	50
Vishakhapatnan	ı.		•	•	•	٠	•	•	•	2	112

5.2. In addition to the above approved hotels which include hotels at present being run by the India Tourism Development Corporation, the Corporation also have Travellers Lodges and Restaurants located at the following places.

Place													Rooms
I													2
Kulu ·	•	•	•	•	•	•	•	•	•	•	•	•	6
Manali •	•	•	•	•	•	•	•	•	•	•	•	•	10
Kushinagar	•	•	•	•	•	•	•	•	•	•	•	•	8
LVP Hotel U	dai	pur	•	•	•	•	•	•	•	•	•	•	14
Bharatpur	•	•	•	•	•	•	•	•	•	•	•	•	4
Khajuraho	•	•	•	•	•	•	•	•	•	•	•	•	7
Sanchi ·	•	•	•	•	•	•	•	•	•	•	•	•	8
Mandu •	•	•	•	•	•	•	•	•	•	•	•	•	8
Bhubaneswa	r۰	•	•	•	•	•	•	•	•	•	•	•	12
Konarak	•	•	•	•	•	•	•	•	•	•	•	•	4
Bodhgaya	•	•	•	•	· •	•	•	· •	•	•	•	•	12
Hassan •	•	•	•	•	•	•	•	•	•	•	•	•	8
Bijapur •	•	•	•	•	•	•	•	•	•	•	٠	•	4
Madurai	•	•	•	•	•	•	•	•	•	•	•	•	10
Kancheepura	m	•	•	•	•	•	•	•	•	•	•	•	3
Mahabalipur	am	•	•	•	•	•	•	•	•	•	•	•	6

I											2
Thanjavur · ·	•	•	•	•	•	•	•	•	•	•	4
Trichy · · ·		•	•	•	•	•	•	•	•	•	4
Qutab Restt.											
Elephanta Restt.											
Mahabalipuram Restt.											
Ajanta · · ·	•	•	•	•	•	•	•	•	•	•	5
Jalgaon · · ·	•		•	•	•	•		•	•	•	3
Hampi Restt.											
Surajkund Restt.											
Taj Restt.											
Ellora Restt.											
Sagar Restt. Bhakra											
Kovalam Palace Hotel,	•	•	•	•	•	•	•		18		

5.3. The Corporation's expansion programme for the travellers lodges at Khajuraho (by 40 rooms) and at Hassan (by 20 rooms) is in progress. Besides 20 rooms including a Conference Hall are being added to the Laxmi Villas Palace Hotel, Udaipur and 20 cottages are being constructed at Mahabalipuram.

5.4. It is estimated that by 1973, an additional 8,980 rooms would be required to meet the demand 83 new hotel projects at various centres have been approved in the private sector and the completion of some of these is expected to add about 2,400 rooms by 1973. Of these, 790 rooms will be provided by two large hotels in Bombay which are being constructed with foreign collaboration—Oberoi Sheraton and Taj Inter continental. In the Public sector, the India Tourism Development Corporation has plans to set up, during the Fourth Five Year Plan, hotels at the following places:

ovalam	•	•	•	•	•	•	•	•	100-room hotel & 40 cottages.
um Dum	•	•	•	•	•	•	•	•	100 rooms
ulmarg	•	•	•	•	•	•	•	•	60 rooms
urangabad	•	•	•	•	•	•	•	•	• 60 rooms
angalore	•	•	•	•	•	•	•	•	Expansion of Asoka Hotel by another 100 rooms.
	um Dum ulmarg urangabad	um Dum • ulmarg • urangabad •	um Dum · · ulmarg · · urangabad · ·	um Dum · · · ulmarg · · · urangabad · · ·	um Dum · · · · ulmarg · · · · urangabad · · · ·	um Dum · · · · · · ulmarg · · · · · · urangabad · · · · ·	um Dum · · · · · · · ulmarg · · · · · · · urangabad · · · · · ·	um Dum · · · · · · · · · · · · · · · · · · ·	um Dum · · · · · · · · · · · · · · · · · · ·

*Since shifted to Fifth Plan

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5.5. Air India also plans to set up two hotels in Bombay with a total capacity of 530 rooms—a 180-room hotel at the Airport and the oher having 350 rooms at Juhu Beach. The airport hotel is expected to be ready by September, 1973 and the beach hotel in early 1974. The only hotel in the country at present functioning a_s a result of foreign collaboration is the 350-room Oberoi Intercontinental Hotel in New Delhi, and two other namely Taj Intercontinental and *Oberoi Sheraton are expected to open in Bombay during this year. In addition to the accommodation mentioned in the preceding paragraphs, supplementary accommodation under State Governments for tourists is also stated to be available.

5.6. In a memorandum submitted to the Committee it has been stated that in order to achieve the figure of 1 million tourists by 1980 an additional 30,000 rooms would be required which would involve an investment of Rs. 300 crores. The Committee enquired as to what was the existing bed capacity available in the country and on what basis the requirement of an additional 30,000 rooms had been worked out.

- 5.7. In reply the Government have explained the position thus:---
 - "(i) There are 175 hotels in the country at present which are on the approved list of the Department of Tourism, and their total capacity is 107, 15 rooms. (We are following the current international practice of expressing hotel capacity in rooms rather than beds).
 - (ii) The Hotel Review & Survey Committee made an assessment of the shortages of good hotel accommodation at 35 important tourist centres in the country. On the basis of this assessment, the shortage works to about 29,000 rooms by 1979. This figure was rounded off to 30,000 rooms.
 - (iii) The ITDC has plans for the setting up/expansion of hotels at Kovalam, Dum Dum and Aurangabad and Bangalore which will provide a total of 360 rooms on completion and Air-India is constructing 2 hotels in Bombay of a total of over 500 rooms. A number of private sector projects are underway because of the sizeable incentives offered by the Government and the scope of the Hotel Development Loans Scheme has been enlarged by raising the allocation available under it from Rs. 500 lakhs to Rs. 1150 lakhs during the Fourth Plan.

^{*}Oberoi Sheraton has since started functioning

- (iv) It is intended to seek further financial incentives to encourage hotel investment by the private sector and the public sector involvment in the construction of hotels will be sizeably increased during the Fifth Plan. The estimate for the requirement of funds under the Hotel Development Loans Scheme during the Fifth Plan period assumes that it will complement the investment of Rs. 70 crores by the private sector.
 - (v) The costs of construction/functioning etc., even of hotels in the 3 star category which offers only adequate facilities by international standards, having escalated to sharply over the last few years that it is increasingly difficult for promoters to build and operate hotels for the middle and low income groups. However, the private sector is fully aware of the need for less expensive hotels, and most of the new projects approved at the planning stage are of the 3-star and below category. The Department of Tourism has a comprehensive programme for the construction of youth hostels, motels, tourist lodges etc., to meet the requirements of the middle and low income groups.
 - (vi) The shortages of accommodation and the additional requirements of hotel rooms have been assessed on the basis of a sample survey of tourist traffic in each of 35 important tourist centres, as this is more specific than a Statewise breakup without pin-pointing the precise centres where hotel rooms are needed. According to this, Bombay, Delhi, Srinagar, Calcutta, Madras, Ahmedabad, Cochin, Agra and Goa etc., are the centres where the accommodation shortage is most acute."

5.8. The Travel Agents Association of India, in a Memorandum submitted to the Committee, have stated:—

- "Whilst the affluent class of tourists are being accommodated fairly well in the high priced (4 to 5 star) hotels, the number of which have increased recently, the middle class or the low income tourist is unable to find good and clean moderately priced hotel accommodation. It is a known fact that mass tourism is a reality now and hence a very large number of moderately priced hotel beds are required to be provided on a very urgent basis.
- It is also necessary to develop our beach resorts and create proper accommodation and ancilliary facilities at such centres. It is relevant to mention that India is today losing a

large amount of tourist traffic to Ceylon, Thailand, etc., who have developed their sea/beach resorts very creditably."

5.9. Regarding the requirements of additional bed capacity in the country, the Additional Director General of Tourism explained the position as follows during evidence:—

"There are 174 hotels in the country which are on the approved list of the Department of Tourism and their total capacity is 10,675 rooms. When we talk in terms of rooms we follow the international practice of putting it as so many rooms and not as so many beds."

5.10. Regarding the basis on which the requirements of an additional $30,000 \text{ room}_S$ had been worked out, the witness stated the position thus:

"The Hotel Review and Survey Committee made an assessment of the shortage of reasonable hotel accommodation at 35 important tourist centres in the country. On the basis of this assessment, the shortage works out to about 29,000 rooms in 1979. This figure is rounded off to 30,000. The ITDC has plans for setting up of hotels at Kovalam, Dum Dum, Aurangabad and the expansion of hotel at Bangalore. This will provide 360 rooms and Air India is constructing two hotels in Bombay, with a total capacity of 500 rooms. A number of private sector hotel projects are under way, because of the various incentives offered by the Government and the loan funds which have been advanced by the Loan Scheme as well by other public sector institutions, and this loan scheme, was revised once from Rs. 500 lakhs to Rs. 1150 lakhs and it has been further revised from Rs. 1150 lakhs to Rs. 1450 lakhs.

5.11. To a point as to how far it would be possible to achieve the targets of 30,000 rooms in order to meet the requirements of one million tourist arrivals by 1980, and the construction of medium priced hotels the witness stated:—

"It is intended to secure as much as possible, within the overall policy of the Government, such financial incentives, as may be reasonably expected, to encourage hotel investment by the private sector and the public sector involvement in the construction of hotels will be suitably increased during the 5th Plan period. If 30,000 rooms are to be built, and if this order of Rs. 300 crores is somewhere near correct, it would mean that about Rs. 100 crores would have to be found by the private sector, if we take the equity debt ratio at the present level of 1:2. The cost of construction even in hotels in the three star category which offers only ade-

quate facilities of the minimum international standards. has been rising in the country in the last few years. But, the private sector is fully aware that, in a large number of cases, they have to go in for hotels of this category, our intension in the Hotel Development Loan Scheme is to encourage more and more of this category. While certain places like the metropolitan towns will have a predominance of a certain higher proportion of the luxury class of hotels, in areas which are far-flung and which are of tourist interest, it is not necessary that even the best of tourist need such high class luxury accommodation. So, our plans will be to see that more suitable accommodation at reasonable price levels are created in those sectors. The shortage of accommodation in the total number of hotel rooms have been assessed on the basis of a sample survey of tourist traffic and this seems to be a more proper forum than bringing it up in various specific centres. The accommodation shortage is likely to be more acute in certain areas."

5.12. The Secretary, Ministry of Tourism and Civil Aviation, during evidence informed the Committee thus regarding the provision of hotel accommodation to meet the needs of tourist traffic:—

"On the question of accommodation, the Department has а system of giving recognition to hotels. This implies that hotels come upto certain standards of cleanliness. facilities. comfort, food, accommodation etc. The Department has approved 175 hotels in various parts of the country. We plan in the 5th Plan period to get 800-thousand foreign tourists. We hope to step it up to a million by the end of this decade. In order to house this number, we have made a study as to how many hotel rooms are required, of various categories; and we have come to certain conclusions. Based on them, we are making recommendations to the Planning Commission. A massive programme in the public sector as well as the private sector, will have to be taken up; otherwise, we will have an acute shortage. More and more attention has to be paid to hotels of 3-star category, rather than of luxury type."

Hoteliers Problems:

5.13. The Hoteliers in a memorandum submitted to the Tourist Development Council in Madurai, (October 1970) have listed the following problems facing the hotel industry.

- (i) "There is not enough experienced management and professionally trained personnel for the existing plant; the newly planned hotel projects in India will make the position more difficult.
- (ii) There is no consultancy service for inexperienced hotel managers or investors.
- (iii) Import licences are difficult to get for the equipment of kitchens, bath-rooms and laundries, for crockery, linen, silver-ware and electric appliances. Hotels are dependent on the domestic production which does not yet satisfy the higher standards.
- (iv) There is little appreciation of the difficulties of hoteliers building or rebuilding hotels as illustrated by long bureaucratic procedures in handling applications for loans, building permits and site acquisition.
- (v) The lack of fiscal incentives for improvements and new investments.
- (vi) There are few incentives for investment in areas unattractive compared to leading cities having international airports and high occupancy rates almost guaranteed in the early years. There may be high variations in occupancy, due to insufficient transport facilities or to climatic extremes.
- (vii) The tourist infrastructure is missing in many areas which are becoming interesting possibilities to domestic private investors. Bad roads and traffic conditions, insufficient water and power supply are serious obstacles for many private hotel developers.
- (viii) There is a general uncertainty concerning the building development plans in areas which are of interest to tourism. Above all, there is the problem that a regional or local master plan, giving the private investor a feeling of security and preventing him from making wrong investment is missing."

5.14. Summing up the position the UNDP Team in its report had observed:---

- (i) Hotel Accommodation:
 - "Accommodation must be substantially increased. The location of expansion needs is to be pin-pointed on the basis

of appropriate local studies. As the bulk of tourists are from the so-called affluent countries, requirements and expectations of this category must be set as standards for the future development of the hotel and restaurant industry in India without neglecting to cultivate a special Indian To encourage improvements and new investments stvle. in the hotel industry various incentives should be given by Government such as making available suitable sites, grants and loans to finance renovation and new projects. tax holidays, import licences for the necessary equipment, foreign exchange for advertising and sales promotion abroad, speeding up procedures for obtaining permits to build new projects and to obtain loans, special tariffs for water and electricity, working permits for foreign trained personnel and transfer of their salary etc.

- (ii) Supplementary Accommodation:
 - Improve existing supplementary accommodation in the public sector as they are the only tourist accommodation in remote places and wild life resorts. Divert funds from new construction in areas of relatively low significance to improve all existing accommodation on established routes unless over-all funds are increased.
- (iii) Volume of Accommodation for Future:
 - Calculations made show that supplementary accommodation is relieving and will relieve the pressure on hotel accommodation. All in all, about 7,500 extra rooms minimum in hotels would be required between 1968 and 1973. Between 1968 and 1970 only 671 have been provided: a radical improvement in the rate of supply is essential. Statistics on occupancy rates should be used to keep accommodation provision and traffic generation in proper relationship.

5.15. Giving the follow up action taken on the UNDP Report, Government have explained the position as follows:—

"The Government have already given several incentives in the form of tax and fiscal reliefs to the hotel trade. In regard to the availability of sites, it has been accepted in principle that when Government owned land in Delhi area is sold for hotel construction by open auction or by inviting tenders, the successful bidder or tenderer would not be called upon to pay the full price or premium of the plot but would instead be asked to pay only an annual ground rent at a specified percentage of the accepted auction/ tender. The State Governments have also been asked to take similar action based on the resolutions passed by the Tourist Development Council. Subject to the fulfillment of certain prescribed conditions, the profits of approved hotels are exempted from income-tax upto 6 per cent of the capital employed (excluding long term loans and debentures) in the hotel for a period of five years commencing from the year in which the hotel starts functioning. In addition, hotels also enjoy the benefit of development rebate and depreciation under the Income-Tax Act. The approved hotels/restaurants are being allowed to import essential items of equipment/machinery against the foreign exchange allotment of this Department. Foreign exchange is also being released for overseas advertising and sales promotion and promotional tours abroad. Hotels and restaurants are also being assisted in the procurement of building materials, telephone/telex connections and in obtaining services of foreign technicians at the management considered essential.

- In order to render financial assistance to the hotel industry, a Hotel Development Loan Scheme has been in operation since 1968. 64 hotel projects at various tourist centres for construction of 5,506 rooms involving a total investment of Rs. 51.37 crores have been scrutinised for loans amounting to Rs. 28.52 crores. Out of these 64 hotel projects, 33 projects have been approved at 14 tourist centres for financial assistance in the form of loans to the tune of Rs. 12.94 crores. These projects when completed at a total cost of Rs. 30.34 crores will add 2,940 rooms. So far the amount of loans disbursed is Rs. 4.55 crores and by the close of the current financial year, it is likely to be Rs. 7.21 crores. Five hotels assisted under this scheme have already been opened, and before the close of the current financial year 1972-73, 10 more projects will also be completed.
- As regards supplementary accommodation, the tourist bungalows constructed by the Department of Tourism in the earlier plans have been handed over to the ITDC for man-

agement. It is proposed by them to expand travellers lodges at Khajuraho, Mahabalipuram, Hassan, Bodhgaya, Madurai and Bhubaneswar. The construction of hotels at Jammu & Varanasi has also been taken up by them. A chain of 17 youth hostels is being set up in the country during the Fourth Five Year Plan.

Subject to the fulfillment of prescribed conditions, foreign investment and collaboration in the hotel industry on membership basis is being allowed. One such hotel i.e., Oberci Inter-Continental is already functioning in Delhi while 2 others namely Taj Intercontinental and Oberci Sheraton in Bombay are expected to open very shortly. Another such proposal between Allams Advanis and Holiday Inns Inc. U.S.A. for construction of a hotel in Bombay has also been approved.

5.16. The Committee note that there are at present 175 hotels in the country which are on the approved list of the Department of Tourism and their total capacity is 19715 rooms. According to the assessment made by the Hotel Review and Survey Committee, the shortages of good Hotel accommodation at 35 important tourists centres in the country, worked out to about 30,000 rooms by 1979. Survey of tourist traffic undertaken of each of the 35 important tourist centres reveals that at Bombay, Delhi Srinagar, Calcutta, Madras, Ahmedabad, Cochin, Agra and Goa etc. the accommodation shortage is most acute. The Committee note that 83 new hotel projects at the various centres approved in the private sectors would add about 2400 rooms by 1973. The hotels being built by the India Tourism Development Corporation and Air-India at Kovalam. Dum Dum, Gulmarg, Aurangabad, Bangalore, Santacruz Airport and Juhu Beach would add another 890 rooms to the existing hotel room capacity in the country. It would thus be seen additional bed that even after creating an capacity of 3290 rooms bv 1973-74 the country would still he very far from realising its target of 30000 rooms to meet the requirements of one million tourists by 1980. The Committee, therefore, feel that in order to achieve targets of one million tourists by 1980, it would be necessary to build a large number of hotels to make up the shortage of accommodation as speedily as possible. The Committee feel that as soon as the targets of one million tourists by 1980 had been worked out, a perspective plan for the provision of hotel accommodation should have been simultaneously prepared. Now since the requirement

of hotel rooms are known, the Committee would recommend that no time should be lost in formulating a massive programme of hotel construction during the Fifth Plan period, so that sufficient room capacity is created in the country to meet the tourist needs. The Committee would also commend the construction of sufficient number of hotels in the 3 star category and youth hostels, motels, tourist lodges at a much speedier pace, to meet the requirement of middle and low income group tourists.

5.17. In this connection the Committee note that UNDP Team. in its report had made a number of valuable suggestions for the augmentation and improvement of hotel accommodation in the country. The Committee would urge Government to lay greater emphasis to the implementation of some of the important recommendations/suggestions of the UNDP Team, listed below viz; substantial increase of accommodation (ii) Bulk of tourists being from the so-called affluent countries, requirements and expectations of this category must be set as standards for the future development of hotel and restaurant industry in India without neglecting to cultivate a special Indian style (iii) lack of professionally trained management (iv) procedural delays: (v) equipment import licence restrications: (vi) lack of incentives and infrastructure in areas deserving development (vii) absence of regional or local building development plans, (viii) extension of Government support for getting sites, financial aid, import licences, specific tariffs for water and electricity: (ix) classification machinery should encourage improvements in hotels and supplementary accommodation; (x) diversion of funds from new construction in areas of relative low significance to improvement of existing accommodation

The Committee feel that apart from making available necessary fiinance, what is even more important is grant of essential facilities such as land, making available in time essential construction materials like cement, steel, provision of power, water, telephone connection, etc. It is only if all these essential services and materials are available in time and without difficulty, that it would be possible to complete in time the hotels and press them into service without delay. The Committee would recommend to Government the constitution of а high powered working group or body consisting of representatives of Ministries and other interests concerned who should review at least once in three months the physical progress made in the implementation of the schemes, and solve the problems faced by the hoteliers in completion of their scheme and spell out other measures or assistance which should be given by Government to accelerate the growth of

hotel industry. As most of the money would be coming from the public sources it is imperative to ensure that the money is put to effective use in providing the desired facilities and that it generates further resources for development. The Committee would suggest that Government who have now adequate experience in the running of hotel industry through ITDC. Air India, etc., should in consultation with the hotel industry lay down broad guide lines about the essential facilities which are to be provided in hotels of Three Star category and above so that they do not fall short of the desired standard. In particular, the Committee would like to stress that utmost care should be given to the provision of hygienic cooking conditions and service facilities so as to win and sustain the confidence of foreign tourists. The Committee have elsewhere dealt with the ofher prerequisites for developmnt of hotel industry on sound lines, but would like to recall here two basic pre-requisites namely availability of adequately trained management personnel to run the industry as well as well trained professional cooks and other ancillary services for providing hygienic and clean food.

B. Prohibition

5.18. The Federation of Hotel and Restaurant Association of India, in their Memorandum to the Committee have stated:

- "The adverse effect of prohibition on tourism to our country has unfortunately not been appreciated fully by the authorities concerned. This Federation therefore welcomes the action taken by the Department of Tourism in inviting a UNESCO Expert on Cultural Tourism, Dr. F. R. Allchin, to make a study of the problems connected with the promotion of cultural tourism to our country. The following remarks made by Dr. Alkchin in regard to our prohibition policies are very significant, and worth serious consideration:
- Probably one of the major dis-incentives to foreign tourists visiting India, and certainly one of the major causes for dissatisfaction among those who do arises, as a result of prohibition policies. The ordinary Westerner regards the consumption of small quantities of alcohol, either by itself or with meals, as a fundamental part of his birthright and civilization, and can one blame him if he is disappointed with what he finds in India?.... To sum up, the official attitude to prohibition must strike the westerner as inconsistent and a source of great annoyance. In spite of the various loopholes which have been

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worked into the system, it still succeeds in making free access to alcoholic drinks difficult and costly for the visitor.

It will be seen from the foregoing that there are two major causes of dissatisfaction for a foreign tourist viz., restriction on taking drinks and the inflated prices of drinks. It is suggested that in the interest of tourism, it should be ensured that as far as foreigners are concerned, there are no restrictions on their taking drinks in hotels and restaurants alongwith their guests or hosts. It is also necessary that the exorbitant liquor licence and assessment fees, the excise duties and the Sales Tax charged by the Government are scaled down so that drinks can be made available to foreign tourists at reasonable prices."

5.19. The UNDP Team have summed up their views as follows on prohibition: ---

Prohibition

- (a) The basic national policy has been prohibition. At the same time an effort has been made to provide facilities While indeed it may be good for the for the tourist. tourist's health not to have free access to spirits or wine, his good humour can be imperilled and his reaction to India adverse. The system of permits and permit rooms discriminates against the foreign tourist. It inhibits and complicates the social contact which tourists desire with the local population. It inhibits especially the congress and conference business. Hoteliers in prohibition areas complain that their efforts to arrange congresses for India and foreign organisations and firms are unsuccessful, as those prefer to have their conferences in cities without prohibition. Where the decision has been taken to depart prohibition, procedures should be liberalised and from made convenient to the largest extent.
- (b) Most of the good hotels and city restaurants are not in a position to offer foreign tourists a perfect gastronomic experience, because of the limited beverage supply. Apart from first class hotels in large cities, the liquor supply of hotel bars is rather limited and bar keepers have generally little experience in how to handle beverages and to mix drinks. The comparatively good Indian beers gets very often spoiled by improper storage (too cold, or too hot).

- (c) The beverage supply demands improvement. Special facilities should be given to all hotels and restaurants. regardless of their classification. As the import of liquors and beverages costs foreign currency, the domestic production should be encouraged to develop and modernise. The wine-production of India should be extended and more mechanised. The wine quality should be improved. Vinegrowing should not be restricted to the area around Hyderabad, but should also be cultivated in other climatically favoured regions like Goa and Kerala. By that, not only an improvement of the gastronomic capacity would be achieved, but India would become independent of expensive wine imports and could even establish, on a long term basis, an export industry for the whole East Asian areas.
- (d) Similar thought should be given to the domestic production of liquors. There is quite a number of locally known drinks in India which suit the taste of foreign tourists. The present home production should be developed to an industrial production. The above mentioned measures would give more independence and self-confidence to the Indian gastronomy on a long-term basis.

5.20-21. The Committee note that a number of expert bodies as well as tourist specialists who have visited this country have pointed out the difficulties which are being experienced at present by foreign tourists in the matter of availability of alcoholic drinks. The Committee feel that the matter should be investigated in depth by Government and they should take suitable measures to see that the foreign visitors who are used to have a drink are not denied these facilities in the place where they stay and that there should be no scope for any impression that the availability and service of alcohol drink to these foreign tourists in any way is vexatious or source of harassment.

C. Tax, incentives, concessions available to Hotel Industry

5.22. The tax, incentives concessions at present available to the hotel industry are briefly as follows:

- (1) Tax Holiday benefits:---
- Subject to the fulfilment of certain prescribed conditions, the profits derived by an Indian company from an approved hotel are exempted from income-tax upto 6 per cent of

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the share capital employed in the hotel for a period of 5 years, commencing from the year in which the hotel starts functioning.

- The dividents declared by the company from such exempted profits are also exempt from tax in the hands of the share holders.
- (2) Development rebate:
- In the case of hotels where the machinery or plant is installed after the 31st March, 1967 but before 1st June, 1974 by an assessee being an Indian Company in premises used by it as a hotel approved by the Central Government, the development rebate applicable would be as under:—
 - (a) thirty five per cent of the actual cost of the machinery or plant to the assessees where it is installed before the 1st day of April, 1970; and
 - (b) twenty five per cent of such cost where it is installed after the 31st day of March, 1970.
 - (3) Depreciation:
- In the case of new buildings which are completed after 31st March, 1967 where the building is owned by an Indian company and used by such a company as a hotel and is for the time being approved by the Central Government, depreciation at the rate of 25 per cent of the actual costs of erection of the building for the first year has been allowed. In the case of plant and machinery installed by the company in the hotel, an extra allowance of depreciation of an amount equal to one half of the normal allowance is also allowed.

5.23. The following incentives/concessions were also available to the hotel industry in addition to those mentioned against (a) as above:

(i) Special deductions of 8 per cent on taxable profits as applicable to all priority industries. This deduction was, however, reduced to 5 per cent in the Finance Act, 1971 and withdrawn altogether in the Finance Act, 1972. (ii) The tax already on profits upto 6 per cent was calculable on the total capital employed in a hotel project. However, under the Finance Act, 1971 the capital to be taken into account for this purpose would be exclusive of the long-term borrowings and debentures.

The benefit of development rebate is expected to be withdrawn after 31st May, 1974.

5.24.A leading hotelier in a Memorandum to the Committee has stated:---

- "If we are to achieve the figure of 1 million tourists by 1980. we will require an additional 30,000 rooms which requires an investment of Rs. 300 crores. The hotel industry is a highly capital intensive industry and the returns from this industry do not compare with the returns from manufactur-This fact has been accepted throughout the world ing. and it is for this reason that areas that have successfully developed, accommodations have gone to great lengths in granting concessions to the hotel industry. Even a highly advanced nation like the United Kingdom till very recently gave outright grants of £ 1000 per room for new hotel development. In other under-developed countries concessions on land, on imports and on taxes have been given in varying scales. If we expect to meet the requirements in the future, we will have to think in terms of substantial concessions. It is ironical that certain concessions granted to the priority industries were recently withdrawn as it was stated that the purpose of granting concessions to priority industries had been achieved as industry has reached a certain level of development and that incentives were, therefore, no longer required. The hotel industry was only recently included in the list of priority industries and before the concessions had any effect, they have been withdrawn. Without incentives there is no likelihood of any substantial investment from the private sector. With the withdrawal of the development rebate and the tax holiday on capital employed, most projects have become unremunerative.
- Almost 50 per cent of the expenditure of tourists is made in hotels and without hotels the other 50 per cent can also not be made. Therefore, hotels contribute very substantially not only to the revenues of the city in which they

are situated, but also the country in the form of foreign exchange and taxes. Besides, an appreciation by the Centre of the importance of this industry, it is important that city and State Governments also appreciate the importance. As an example, although New Delhi is one of the largest tourist centres, the city government have forgotten the income that they have derived from this industry and have withdrawn even the very small concessions that were available. As an example, like other industries, hotels were entitled to purchase electricity at bulk rates which were lower than the normal rates. Now bulk supplies are being stopped and power is supplied the same way as domestic supply. It is estimated that the present earnings of Rs. 40 crores derived from tourism can be raised to 200/300 crores of rupees if the steps recommended are taken.

- It is also important that medium-rated accommodations are built for the mass tourism that is developing throughout the world. This type of accommodation can only be developed if incentives are given for the development of this type of accommodation. The cost of construction is increasing so rapidly that it is unremunerative to build lowrated accommodation, and it is for this reason that most investment is made in high-rated accommodation. If it is the intention of Government to encourage the building of low-rated accommodation, they will have to provide special incentives.
- I would also suggest the development of a joint section in the hotel industry and more cooperation between the public and the private sector. It is possible for the expertise that is available with the private sector to be made available for the overall development of the industry jointly with Government for the benefit of the country. I very strongly feel that all rivalry between the public sector and the private sector is out of place and totally irrelevant to basic purpose of development of the national sector. To accomplish this objective, time has come where far greater emphasis will have to be laid on the Joint sector. More and more of the enterprises in the field of tourism should be in the joint sector where the Government together with the financial institutions like I.F.C., L.I.C., I.C.I.C.I., UNIT TRUST, and others at the State and Central level provide the bulk of the financial resources and the private sector

contribute all its know-how, entrepreneurial and management skills and man power totally and without any reservations whatsoever in the service of the nation. Hotels, leading travel agencies, airlines both domestic and foreign can all join in to make tourism a glorious triumph that it deserves to be."

5.25. The Federation of Hotel and Restaurant Association of India have stated:---

- I. Tax incentives:
- "For the rapid development of tourism we need more hotel rooms of international standards. This would imply heavy investment and restoration of financial incentives which have been scaled down. The hotel industry has hardly developed and several projects are in the blue-print stage. Hence, the following tax incentives should be given:
 - (i) Development Rebate should be continued beyond 31st May, 1974 on plant and machinery installed. The present rate of 25 per cent should be increased to 35 per cent.
 - (ii) The special tax exemption upto 8 per cent of profits before tax, which was reduced to 5 per cent in 1971 and now completely abolished, should be restored.
 - (iii) Tax-holiday benefit of 6 per cent of capital employed, which is now very much diluted due to change in definition of the words "capital employed" by excluding longterm borrowings including debentures, should be restored, as originally contemplated.
 - (iv) Further, all these tax incentives should be available not only for new hotels but for expansion of existing hotels. The important reasons for giving high incentives for development of hotels are as follows: ---
 - 1. Hotel industry is very capital intensive and hence risky because of the large fixed costs.
 - 2. The return on investment on a hotel study does not compare favourably with that of certain other industries, like chemical or electronics, and unless incentives are given, investment in hotels will not increase.

II. Priority Treatment:

- Although priority treatment is to be given to the Hotel Industry by all agencies of Government, including State Governments, it has been the experience of several hoteliers that such treatment is not accorded. A hotel cannot be constructed at any odd place. Location and the necessary infrastructure facilities for it are most important, such as approach roads, supply of water and electricity To obtain sanctions for all these facilities the prosetc. pective hotelier is driven from pillar to post by the various agencies concerned and then the State Government. at times insists that + of the cost of approach roads constructions should be met by the hotelier himself. The State Department of Tourism should pay a more vital role and assist in all respects, including procurement of land on reasonable lease terms.
- III. Custom Duties:
 - Customs duties on imports of hotel equipment into India are quite substantial and range from 65 per cent in the case of kitchen equipment to 110 per cent for imports of plate, glass and Health Club equipment. It is regretted that the concessional customs duties which are available to other priority industries under Section 72-A of I.C.T. have not been made available to the hotel industry, despite representations made by this Federation. This should be done immediately in view of the urgent need and importance of giving incentives for new hotel projects.
 - While on the subject, it may be mentioned that in Ceylon there is no duty at all on some hotel equipment, and in other cases the maximum that can be charged is about 35 per cent.

IV.Electricity Charges:

Although the hotel industry is considered to be a priority industry, Electricity duty is being charged to hotels, hitherto, at 10 paise per unit, in Maharashtra State as compared to one paisa per unit charged to industries. In the latest Budget proposals, this duty of 10 paise per unit is being sought to be increased to 15 paise per unit. In other States also, the electricity charges payable by hotels are much higher than those paid by other industries. This is because hotels are charged commercial tariff instead of the industrial tariff available to units in other industries. It is high time that this discrimination against hotels is brought to an end."

5.26. In reply, the Department of Tourism have explained the positions as follows:—

- "It is well-known that the development of hotel accommodation in India has not kept pace with the steady increase in foreign traffic and the lack of good hotel accommodation acts as a negative factor in the promotion of tourism to India. The tax incentives/concessions announced by the Government for the hotel industry did help in attracting private capital into the hotel industry which is otherwise highly capital intensive but there is no denying the fact that the industry has not been able to make use of these incentives/concessions to the extent anticipated. In view of this, the Department is in full agreement to the restoration of the incentives listed at (i) to (iii) of para above as these stood prior to their curtailment/withdrawal through the Finance Act, 1971 and 1972. The question of their restoration/further liberalisation has already been taken up with the Ministry of Finance.
- The incentive at (i) and (ii) of para 5.25 are not dependent on whether a hotel is a new establishment or a case of expansion and should, therefore, be available even to expansion cases also. As regards the tax holiday benefit the same is available for the initial period of five years and the same would seem to be admissible in respect of any expansion etc., also carried out within this period. In any case, this Department is all for this benefit."

5.27. Asked as to what were the views of Government in the matter of electricity charges payable by Hotels and provision of land to prospective hoteliers on concessional rates, it has been stated:

"The Department of Tourism on its own and the Tourist Development Council, the highest Advisory Body on Tourism, through resolutions, have been urging the State Governments to make available to the hotel industry the supply of electricity at the same concessional rate as is available to the other priority industries. However, unfortunately there has not been any encouraging response from the State Governments, the reason generally advanced for their inability to accept this suggestion being that the grant of concessional rates of electricity fall within the purview of the State Electricity Boards which run on commercial basis and, therefore, do not find it possible to reduce the electricity tariffs.

- The State Governments have also been requested to select suitable sites of Government land for hotel construction and make these available to hotel entrepreneurs on the same concessional mode of payment as that announced by the Government of India *i.e.*, when Government owned land is sold for hotel construction by open auction or by inviting tenders the successful bidder or tenderer would not be called upon to pay the full price or premium of the plot but would instead be asked to pay only annual ground rent at 6½ per cent of the accepted auction/tender. The State Governments of Goa, Rajasthan, Tamil Nadu are known to have made allotment of Government lands on this basis and the Government of Madhya Pradesh is also understood to be considering a similar incentive.
- The Department is not aware of any instances where the entrepreneur may have been asked to meet a part of the cost of the construction of an approach road. However, such instances, if brought to notice, can be taken up with the appropriate authorities in cooperation with the concerned State Departments of Tourism."

Extension of Incentives available to Hotels to Restaurants

5.28. It has been represented to the Committee that all incentives both at the State and Central level such as loans, import licences, taxation reliefs and facilities for serving liquor to foreign tourists and their guests which are available to hotels, be made available to the restaurants approved by the Department of Tourism. Giving their views in the matter, the Department of Tourism have stated:

"The basic consideration for extending the various incentives/ concessions including tax/fiscal relief to hotels was their capacity to earn the much needed foreign exchange for the country. There is an acute shortage of good hotel accommodation suitable for foreign tourists and this acts as a negative factor in the promotion of foreign tourism to this country. The restaurants also are no doubt essential from the point of view of the general tourism infrastructure in the country, but evidently their case is not on all fours with that of hotels which provide the basic facility of accommodation for foreign tourists. However, considering their importance from the foreign tourism point of view the restaurants are released foreign exchange from the "Tourism Promotion."

5.29. Regarding the plea for extension of incentives granted to the Hotel Industry, viz. loans, licences, taxation relief to the Restaurants as well, the Additional Director General of Tourism stated during evidence that there had been a persistent demand that all the facilities which were being made available to the hotels should be made available to the restaurants also. He added that while in principle a number of things had been conceded, certain other concessions which had been listed here were available to some of the restaurants i.e. There were 56 restaurants in the country which were on the approved list of the Department of Tourism, which were enjoying these concessions.

5.30-31. It has been represented to the Committee by a number of representative associations of hoteliers both in memoranda and in evidence that the recent growth in hotel industry has been greatly helped by the development rebate and other concessions which Government had made available to them in recent years. They have voiced the apprehension that at a time when there is need for a greater effort to put up thirty thousand additional rooms to meet the projected requirement of one million tourists expected to visit this country by 1980, a number of these concessions, particularly the development rebate, is being withdrawn. The Committee are aware that Government are greatly concerned with the provision of adequate financial facilities and other assistance to the hotel industry so that it is able to develop and expand to meet the projected requirements. The Committee would, therefore, recommend that Government should constitute a representative high-powered working group/body to examine in depth the existing concessions and facilities which are available to the hotel industry and the need of their being continued and extended, in the light of experience gathered in this country and the practice obtaining in other countries particularly those which have made marked progress in attracting tourists.

D. Hotel Development Loan Fund

5.32. The Hotel Development Loan Scheme which was notified in April 1968 has now completed nearly five years of its operation.

5.33. The Cabinet Committee on Tourism & Transport at its meeting held on the 18th May, 1967 decided *inter-alia* that a Departmental Board be set up with powers to sanction loans to Hotel Industry upto specified limits. To trace briefly the origin of the Scheme it may be stated that as far back as in 1958, the Hotel Standard and Rate Structure Committee, examined all aspects of the Hotel Industry and made a number of recommendations for the Development of the Hotel Industry through the removal of the obstacles which faced it at that time. It recommended among other things, that for the rapid growth of the Hotel Industry adequate financial assistance in the shape of loans, grants, subsidy etc., should be made available to it. That Committee also recommended that tax exemptions should be considered for new hotels; that they should be given import licences to import essential equipment and provisions from abroad etc.

5.34. Similarly, the Hotel Classification Committee set up to categorise approved hotels in India recommended *inter alia* in 1963 that in order to develop Hotel Industry a special fund should be created which should advance loans both to new and existing hotels on easy terms.

5.35. Again an *ad-hoc* committee on Tourism appointed by Government under the Chairmanship of Mr. L. K. Jha to enquire into causes of declining trend in tourists arrival in India between 1960 and 1962 stated categorically in its report submitted in late 1963 that "hotels are the most essential destination facility that a country must provide if it works to build up Tourism." It also recommended *inter-alia* that a more flexible attitude should be adopted by the existing financial institutions in granting loans to the Hotel Industry.

5.36. Arising out of the decision of the Cabinet Committee on Tourism in August, 1966 a Working Group was constituted in February, 1967 and it made the following observations in regard to loans to the Hotel Industry:

"On account of the low profitability and certain deep-seated prejudices in the investing classes in India, the Hotel Industry is not only not able to attract capital but is also placed at a disadvantage in attracting loans. Banks in

India do not ordinarily lend money against real estate. Many other leading institutions like L.I.C. do not regard hotels as first class risks. The sources from which Hotel Industry can get loans are extremely limited. I.F.C. does give loans but also its requirements are such that in practice it is a rather restrictive source for funds. Firstly, it gives loan only to a public limited company. Secondly, it entertains applications for Rs. 20 lakhs and above. Thirdly, it advances money only against fixed assets. Fourthly, it requires a margin of at least 50 per cent sometimes even higher. The Hotel Industry, as it is placed, is not in most cases able to fulfil these conditions. In many cases, the hoteliers do not own the building. In some, the hotels are not public limited companies but are either private limited companies or proprietory concerns."

5.37. The recommendations of the Working Group were as follows:

- 1. The Industrial Finance Corporation (IFC) should continue to take the responsibility of granting loans to the hotel industry. The only relaxation recommended is that instead of 50 per cent, they should give 75 per cent of the fixed assets by way of loans subject to the condition that a 25 per cent guarantee is extended by the India Tourism Development Corporation (ITDC) which in turn would obtain a guarantee from the Department of Tourism for this amount.
- 2. Since fixed assets of a hotel amount to 70 per cent of the total cost (the remaining 30 per cent covering the moveable assets), and since IFC gives loans only against fixed assets, the moveable assets of a hotel projects should not be tied up as collateral by the IFC but should be left unencumbered to enable hoteliers to raise loans from other sources against their moveable assets.
- 3. IFC should give loans on these terms not only to public limited companies but also to private limited companies and proprietory concerns constructing hotels subject to their credit worthiness and the soundness of the project.
- 4. IFC should underwrite the equity capital of hotel projects.
- 5. ITDC should also undertake the underwriting of equity capital and debentures for hotel projects.

- 6. Where hotel projects are eligible for loans from State Finance Corporations but not from IFC, the SFC should also grant loans upto 75 per cent subject to a 25 per cent guarantee from the ITDC.
- 7. Loans not ϵ ceeding Rs. 5 lakhs for smaller hotel projects should be granted by the ITDC. Such loans should also cover expansion and renovation of existing hotels and may be granted against moveable assets with adequate security.
- 8. Loan applications from hotels should be given the highest priority by IFC, SFC and ITDC."

5.38. In the light of the above recommendations, a proposal for making a provision of Rs. 5.00 crores to be disbursed as loans during the period from May, 1967 to March 1970 for construction of new hotels was submitted to the Cabinet Committee on Tourism in May, 1967. The following factors *inter alia* were kept in view in making this proposal:

- (i) The interest in Hotel Industry among general investors was not sufficient to enable entrepreneurs to organise public limited companies and quite often hotels had to be set up as private limited companies or partnership concerns or owned by a private individual.
- (ii) Rules of the existing financial Corporations in regard to limits upto which loans could be granted by them in relation to the value of the fixed assets reduce the scope of the Industry to obtain adequate loans and it would be difficult for financial corporation to single out the Hotel Industry for preferential treatment in the grant of loan.
- (iii) There is a substantial gap between available Hotel capacity and the need for it.

5.39. The Cabinet Committee on Tourism at its meeting held on 18th May, 1967 decided that a Departmental Board with not more than four members may be set up with powers to sanction loans to Hotel Industry upto specified limits. In April, 1968 soon after the Cabinet decision about the delegation of powers to sanction loans was received the Scheme was notified in the form of Instructions containing all the salient features. 5.40. The objective of the scheme was to provide a specialised source of financial assistance to the Hotel Industry in the private sector on sufficiently liberal terms and it was expected that the Scheme would evoke enthusiastic response and attract substantial flow of capital to the industry and help launch a massive programme of hotel construction. Contrary to expectations the response was not at all encouraging in the beginning and Scheme was, therefore, liberalised substantially in the following manner:

- (a) Increase in the quantum of loan upto 75 per cent of the value of the fixed assets from 66.2|3 per cent.
- (b) Extension of the period of repayment of loan to 15 years from 12 years in the case of new construction.
- (c) Extension of period of repayment of loan in the case of renovation and expansion to 10 years from 8.1/2 years.
- (d) Acceptance of security by way of mortgage of fixed assets or by guarantee from Bank or Insurance Company in all cases whether for new construction or for renovation and expansion.
- (e) Extension of the Loan Scheme to 1 to 3 star hotels in addition to 3-star category and above.
- (f) Extension of Loan Schemes to Hotels.
- (g) Extension of Loan Scheme to Trusts (including charitable trusts) and cooperative societies in addition to public or private companies.
- (h) Exclusion of short term loan for the calculation of debt for the purpose of equity debt ratio.
- (i) The release of loan instalments after 50 per cent of the share capital is paid up in proportion to further funds received, instead of commencing the release of loan instalement till all the share capital was fully paid up.
- (j) Exemption of stamp duty on legal mortgage to be executed by the borrowers.
- (k) Making the Loan Scheme eligible to all centres instead of restricting it to specific tourist centres.

5.41. The above attractive features of the liberalised Loan Scheme coupled with the following special factors are to a great extent responsible to make the Hotel Development Loan Fund really a specialised source of financial assistance to the Hotel Industry.

- (i) The rate of interest on loan in comparatively low the effective rate being 7.1 |2 per cent if instalments are promptly repaid. This rate is, however, high compared to the rates charged by other tourist conscious countries.
- (2) No legal fees are being levied on the borrowing companies.
- (3) There are no commitment charges as is being levied by other financial corporations.
- (4) The procedural formalities are comparatively less.
- (5) Above all financial participation by the Tourist Department which is having administrative control over the Industry is preferred by entrepreneurs.

5.42. After the scheme was liberalised there was manifest improvement in the response to the scheme and during 1970-71 loans approved by the Board exceeded the plan application of Rs. 5.00 crores and at the end of 1971-72 loans approved were Rs. 12.73 crores more than $2\frac{1}{2}$ times the plan allocation. The limited initial allotment to the Hotel Development Loan Fund resulted in the Board administering it taking certain restrictive decisions which threatened to have the ultimate and untimely effect of preventing reasonable expansion of industry.

5.43. A comprehensive proposal was prepared for consideration by the Planning Commission which brought out *inter alia* that for meeting the target of million tourists by 1980 the hotel building activity of about 2,000 rooms per annum would be needed and would mean an average investment of Rs. 20 crores per annum. The Planning Commission agreed in December, 1971 to revise the allocation to Rs. 14 crores by way of commitment to hotel companies and Rs. 11.5 crores for disbursement during the Fourth Five Year Plan.

5.44. The following performance statistics relating to the Scheme are mentioned below:—

(i) The total amount of loan requests received by the Department ever since the inception of the Scheme excluding those which are not of particular significance is Rs. 24.94 crores. They relate to 56 hotels projects at various tourist centres for construction of 4,935 rooms involving a total investment of Rs. 45.44 crores. The Board administering Loan Scheme during the 16 meetings held so far has considered requests for loan for 50 hotel projects and approved loans to the tune of Rs. 13.59 crores for finaning 30 hotels projects for the construction of 2,924 hotel rooms at a total cost of Rs. 30.84 crores. The Board has rejected requests for loans amounting to Rs. 7.86 crores for 16 hotel projects partly for the reason that some of the projects were not considered economically viable for professionally designed for a transient hotel suitable for occupancy by foreign tourists and also partly due to limited resources at its disposal.

(ii) The particulars of loan applications received, approved and rejected by the Board and the loans disbursed are furnished in the following statement:—

(Rs. in lakhs)

Year			of loar	nd amount 1 appli- s received	No. and amount of loans app- roved by the Board				t Amount of loans dis- bursed	
			No.	Amount	No.	Amount	No.	Amount	Budget Provi- sion	Amount disbur- sed
1968-69	•	•	10	195 · 59	3	71 · 59	_	_	50.00	20.00
1969- 70	•	•	4	139.00	5	177.00	3	53.00	50·00	46.00
1970-71	•	•	11	597·50	6	364.00	3	141.41	150.00	151.00
1971-72	•		31	1560.89	14	660 · 00	8	561 · 25	200.00	203.00
1972- 73	•	•	_	_	I	28.00	2	30.00	300.00	
TOTAL	•	•	56	2493·98	30	1300·59	16	785.66	750 •0 0	42C · 54

(iii) Out of 30 loans approved by the Board two loans—one at Bombay and the other at Jaipur amounting to Rs. 1.49 crores were revoked recently as projects were not making satisfactory progress, despite the issue of notices. It appears that one project at Madras—Hotel Palm Grove may not be needing the loan from the Hotel Development Loan fund as the Company appears to have secured assistance from some other source and approval of loan will be revoked.

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(iv) Disbursements during the last two years have also been alightly more than the budget estimates against this specific item. During the year 1971-72, the amount disbursed was Rs. 203 lakhs.

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- (v) So far sanctions to the tune of Rs. 4.78 crores have been issued and loans are being released in instalments. For the year 1972-73 the budget provision is Rs. 3 crores and a disbursement programme has been drawn up keeping in view the disbursement ceiling of Rs. 11.5 crores for the current Plan period as suggested by the Planning Commission. Interest on loans is being recovered on half yearly instalments. Rs. 1898 lakhs on account of interest and Rs. 11.93 lakhs on account of principal totaling Rs. 30.86 lakhs have been recovered so far from the various companies to whom loans have been advanced.
 - (vi) The hotel projects approved for the grant of loan are located at 13 tourist centres. Four projects have already been completed and these hotels with 341 rooms are functioning satisfactorily. During the year 1972-73, eleven more projects including two renovation projects may be completed and 936 rooms are likely to be added by March 1973. The remaining projects, it is hoped may be completed in the last year of the current plan to add 1327 rooms.
 - (vii) Estimates requirement of additional rooms during the next Five Year Plan calls for a massive hotel construction progromme involving an investment of Rs. 250 crores. Even assuming a sizeable increase in the programme of the public sector in Fifth Plan, assistance by way of loans to Hotel Industry is estimated roughly as Rs. 130 crores of which we cannot expect more than Rs. 30 to 40 crores from other financial institutions such as Industrial Financial Corporation, Industrial Development Bank of India. Industrial Credit and Investment Corporation of India etc. Though IFC would have to be one of the important source, the total amount of loans so far advanced by the IFC to Hotel Industry is only Rs. 3.68 crores (to 5 units) and constitutes hardly 1 per cent of its total assistance sanctioned ever since the inception of the Corporation. During the last year ended 30th June, 1971 the percentage of assistance to Hotels has gone down to 0.4 per cent, the amount of assistance being Rs. 15 lakhs out of the total

assistance of Rs. 3,532 lakhs. This clearly establises the trend that the industry is already leaning entirely on the Hotel Development Loan Fund for assistance.

(viii) Government's estimation of the requirement of funds for Hotel Loans for Fifth Plan assumes that it will complement an investment of Rs. 70 crores by the private sector. With the limited incentives presently available to this industry and higher earning capacity of competing industries it is doubtful whether the Hotel Development Loan Fund alone would be able to stimulate and attract this amount of capital from the private sector unless it is supplemented by a variety other State aids and fiscal reliefs.

5.45. When asked as to whether Government had undertaken a review on the working of scheme, the Department of Tourism in a note furnished to the Committee have explained the position thus:—

"Then Loan Scheme is working satisfactorily. A review of the working of the scheme is done periodically and is submitted to the Board for the Hotel Development Loan Scheme. Ever since the inception of the Scheme 68 hotel projects at various tourist centres for construction of 6102 number of rooms involving a total investment of Rs. 56.31 crores were examined while processing the applications of loan amounting to Rs. 31.42 crores. Out of these 68 projects, 36 projects have been approved at 14 centres for financial assistance in the form of loan to the tune of Rs. 15.30 crores. However, of the 36 projects, 4 projects were not being executed with due diligence and speed and loans to the tune of Rs. 2.04 crores relating to these projects have therefore been revoked. Thus the net approvals will be for 32 projects for loans to the tune of Rs. 12.99 crores to provide 2875 rooms. So far a sum of Rs. 4.92 crores have been disbursed to 13 hotel projects. Five hotels assisted under the scheme have already been opened and these hotels have added 431 rooms. It is expected that most of the remaining projects may be completed by 1974 to add 2444 rooms."

5.46. The Committee note that the Hotel Development Loan Fund was instituted in April, 1968, with the object of assisting the Hotel industry with adequate financial assistance in the shape of loans for the construction of hotels of requisite standards and for the renovation, expansion and improvement of existing hotels on the approved

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List of Department of Tourism. The Committee note that ever since the inception of the scheme 68 hotel projects at various tourist centres for construction of 6102 number of rooms involving a total investment of Rs. 56.31 crores were examined, while processing the applications of loan amounting to Rs. 31.42 crores. Out of these 68 projects, 36 projects had been approved at 14 centres for financial assistance in the form of loan to the tune of Rs. 15.03 crores. The Committee further note that out of these 36 projects since 4 projects were not being executed with due diligence and speed, loans to the tune of Rs. 2.04 crores relating to these projects had been revoked. Thus the net approvals will be for 32 projects for loans to the tune of Rs. 12.99 crores to provide 2875 rooms. So far a sum of Rs. 4.92 crores had been disbursed to 13 hotel projects.

5.47. While the Committee appreciate that the special loan fund scheme for development of hotel industry has made some progress, they consider that it would have to greatly expand its scope if the target of development of 30.000 additional rooms by 1980 is to be achieved. The Committee would suggest that the facilities available under the hotel loan scheme should be widely publicised so as to generate larger interest amongst the public and prospective hoteliers. The Committee would like the fund to be managed on sound business and economic lines from the beginning so as to build up a healthy relationship with the loanee as also take adequate measures to see that public money was safeguarded and the instalments were recovered in time. Apart from the hotel development fund, the Committee would like Government to see that the Industrial Finance Corporation as well as nationalised banks continue to extend loan facilities both long term and short term to genuine hotel entrepreneur so as to encourage their development.

E. Tourism Finance Corporation

5.48. The Government has under its consideration a proposal to set up a separate Tourism Finance Corporation for the travel plant in India. The Corporation was intended to provide *inter-alia* the following financial assistance to the various segments of the tourist industry such as hotels, motels, tourist car operators, shikar out-fitters, trael agencies etc.:

- "(i) Medium and long term rupee and foreign currency loans.
 - (ii) Subscription to and underwriting of equity, preference and debenture issues.
- (iii) Guaranteeing deferred payments for machinery imported or purchased within the country.

- (iv) Guaranteeing foreign currency loans raised from foreign financial institutions.
- (v) Guaranteeing rupee loans raised from scheduled banks or open market.
- (vi) Construction of supplementary accommodation for tourists and or their transfer to eligible parties on hire purchase basis.
- (vii) Acquisition of tourist transport units such as cars, taxis. air-taxis, water borne transports etc., and their eventual transfer to eligible parties on hire purchase basis."

It has been stated that when the Corporation comes into being, the work relating to the Hotel Development Loan Scheme and the Transport Loan Scheme would be transferred to the Corporation.

5.49. The Committee welcomes the proposed setting up the Tourist Finance Corporation to render financial assistance to the various segments of the tourist industry such as hotels, motels, tourist car operators, wild life outfitters, travel agencies etc. The Committee hope that the setting up of the Corporation would considerably facilitate the building up of requisite tourism infrastructure in the country.

F. Youth Hostels Scheme

5.50. With a view to generate youth traffic, the Department of Tourism has a scheme to set up Youth Hostels at selected centres viz., Ahmedabad, Amritsar, Aurangabad, Bhopal, Darjeeling, Panaji, Kamalpur near Hampi, Hyderabad, Jaipur, Madras, Nainital, Patni Top, Dalhousie and Trivandrum.

A provision of Rs. 25 lakhs had been made in the Fourth Five Year Plan to implement the Youth Hostels Scheme. In the revised allocations, this amount has been enhanced to Rs. 39 lakhs. Under this scheme, while the Government of India meets the entire cost of construction of the Youth Hostel buildings and their furnishing, the State Governments make available developed land free of cost as their contribution to the project. The scheme envisages 45 beds dormitory-type accommodation in the hostels at Ahmedabad, Amritsar, Aurangabad, Bhopal, Panaji, Kamalpur near Hampi, Hyderabad, Jaipur, Madras, Puri and Trivandrum and of 42 beds at Dalhousie, Darjeeling, Nainital and Patni Top. There will also be leaders' rooms, a warden's office, public rooms and such related facilities

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which would make the Youth Hostels fully functional. The designs of the Youth Hostels which are fully functional, have been worked out by a firm of architects specially appointed for this purpose.

5.51. The following financial sanctions were issued during 1971-72 and 1972-73:

Bhopal ·		•	Rs. 2. 50 lakhs
Kamalpur near Hampi		•	Rs. 2.73 lakhs
Jaipur · · ·	•	•	Rs. 2·50 lakhs
Madras ·		•	Rs. 3·50 lakhs
Patni Top		•	Rs. 3 · 16 lakhs
Trivandrum		•	Rs. 2·85 lakhs
Aurangabad ·		•	Rs. 2.96 lakhs
Hyderabad		•	Rs. 3. 12 lakhs
N ainital		•	Rs. 3·47 lakhs

5.52. Present position in respect of the various Youth Hostel Projects under implementation is indicated below:—

- (i) Youth Hostel at Bhopal:
 - Administrative approval and Expenditure sanction for an amount of Rs. 2.5 lakhs was issued to the State Government on 22nd July, 1971. The construction of the hostel building started w.e.f. 15th September, 1971 and the project will be completed by the end of the January, 1973. The work is in progress and an expenditure for Rs. 1.30 lakhs has been already incurred on the project.
- (ii) Youth Hostel at Trivandrum:
 - Administrative Approval and Expenditure Sanction for an amount of Rs. 2.85 lakhs was issued to the State Government on 15th March, 1972. The State PWD had invited tenders for allotment of construction work and had fixed 15th June, 1972 as the last date for submission of tenders. Information in respect of allotment of work and the likely date for taking the construction in hand is awaited from the State Government.
- (iii) Youth Hostel at Jaipur:
 - The construction of the Hostel was begun in April, 1971 and the building completed and inaugurated in March, 1972.

The State Government has rejected this Department's request for waiving the Agency Charges. The matter will again be taken up with the State Government.

(iv) Youth Hostel at Madras:

- an dha chu 1.11 An Administrative Approval and Expenditure Sanction for Rs. 3.5 lakhs was issued to the State Government on 16th December, 1971. - The construction work was taken in hand in December, 1971, which is in progress and is likely to be completed before the end of this year i.e., 1972.
- (v) Youth Hostel at Patni Top:
 - Administrative Approval and Expenditure Sanction for Rs. 3.16 lakhs was issued to the State Government on 13th March, 1972. The work has been taken in hand by the State PWD and is likely to be completed only towards the end of 1973 because of the local conditions i.e., short working seasons.
- (vi) Youth Hostel at Nainital:
 - Administrative Approval and Expenditure Sanction for Rs. 3 47 lakhs was issued to the State Government on 21st April, 1972. The construction work as per information of the State Government has not yet been taken in hand. The project is likely to be completed only by the end of 1973 on account of local conditions, i.e. short working seasons.
- (vii) Youth Hostel at Da^rjeeling:
 - The State PWD have submitted estimates for an amount of Rs. 3.54 lakhs during the current month i.e., June, 1972 which have duly been scrutinised and processed with the Ministry of Finance for an amount of Rs. 3,45,181 for issue of an Administrative Approval and Expenditure
 - Sanction. Meanwhile the State Government has also agreed to waive the centage charges.
- (viii) Youth Hostel at Aurangabad:
 - Administrative Approval and Expenditure Sanction for an amount of Rs. 2.96 lakhs has been issued to the State Government on 19th April, 1972. The State Government was requested to invite tenders and allot work

on an urgent basis, information in respect of which is still awaited despite reminders. The project will be completed by March, 1973.

- (ix) Youth Hostel at Dalhousie:
 - Site has yet to be finalised. Meanwhile plans have been. prepared and submitted to the State Government for preparation of estimates.
- (x) Youth Hostel at Hampi:
 - Administrative Approval and Expenditure Sanction for Rs. 2.73 lakhs was issued to the State Government on 16th March, 1972. The site selected earlier for the project was necessitated to be changed due to some objections raised by the Archaeological Survey of India. As a result of which a new site was selected but clearance in respect of which has yet to be received from the ASI.
- (xi) Youth Hostel at Hyderabad:
 - Administrative Approval and Expenditure Sanction for an amount of Rs. 3.12 lakhs was issued to the State Government on 24th April, 1972. Tenders have been invited by the State PWD and the construction is likely to be taken in hand soon and the project will be ready for commissioning by October, 1973.
- (xii) Youth Hostel at Panaji:
 - A site has been selected recently and the State Government requested to take immediate steps to acquire the land. Meanwhile State Government submitted estimates on the basis of the plans prepared by this Department for an amount of Rs. 4.09 lakhs (inclusive of departmental charges), which were scrutinised for an amount of Rs. 3.33 lakhs (without centage charges) and have been processed with the Ministry of Finance for issue of an Administrative Approval and Expenditure Sanction.

(xiii) Youth Hostel at Puri:

The State PWD submitted estimates on the basis of the plans prepared by this Department for an amount of Rs. 3,57,570 (inclusive of centage charges), which were scrutinised for an amount of Rs. 3,08,250 (without centage charges) and have been processed with the Ministry of Finance for issue of an Administrative Approval and Expenditure Sanction.

(xiv) Youth Hostel at Ahmedabad:

- The State Government has been requested to suggest a few selected sites for the project which is likely to be finalised soon. Meanwhile standard plans prepared by this Department through the firm of architects specially for Youth Hostels Scheme have been sent to the State Government for preparation of estimates.
- (xv) Youth Hostel at Amritsar:
 - A site has recently been selected for the project at Amritsar and the State Government requested to take immediate steps to acquire the land. Meanwhile standard plans were given to the State Government for preparation of estimates by their Public Works Department, which have been recently received in the Department for an amount of Rs. 4.51 lakhs. These estimates will duly be scrutinised soon before the same are processed with the Ministry for issue of an Administrative Approval and Expenditure Sanction.

5.53. The Committee welcome the initiative taken by Government to set up a chain of youth hostels at selected centres in the country. While the Committee appreciate that there are bound to be difficulties in the initial stages in the acquisition of land, completion of construction through State agencies and commissioning the youth hotels. they feel that this matter should be proceeded with greater sense of argency and dedication for the youth hostels would serve a greater national purpose of encouraging our younger generation to travel and see their country for themselves and this more than anything else would promote understanding and strengthen the force of inte-The Committee need hardly point out that youth hostels gration. should be located with great imagination so as to be convenient in every respect. The charges to be levied at the hostel should be such that young men and women coming from the common people are able to enjoy their stay without feeling undue burden.

The Committee would like Government to make greater provision for Youth Hostels in the Fifth Plan in the light of the experience gathered in providing these facilities during the current Plan period. **The** Committee would stress that they attach the greatest importance to the use to which these youth hostels are put in the interest of integration of the country and this objective should be prominently kept in view while running these institutions.

G. Tourist Reception Centres

5.54. The Department of Tourism has a plan provision of Rs. 45 lakhs for the construction of Tourist Reception Centres at selected places in India, *viz.*, Jaipur, Varanasi, Agra, Simla and Patna. The salient features of the Tourist Reception Centres are:—

"The scheme of Tourist Reception Centres envisages the provision, under one roof, of all the usual facilities expected by the tourists of today. The Tourist Reception Centres will form the nucleus of all tourist activities in the region. In addition to a few residential rooms, the Tourist Reception Centres will have information centres for the dissemination of information about tourist centres in India, and in a particular, tourist spots in the immediate vicinity. counters for air, rail and road bookings, souvenir shops, handicrafts showrooms and shops, facilities for leftluggage and money-changing facilities a post office, a restaurant cafeteria, besides toilets and telephone facilities. A swimming pool and tennis court will be additional facilities subject to the size of land and possible utilization."

5.55. Progress in respect of each of these Centres is as follows:--

- (i) The foundation stone of the Tourist Reception Centre at Jaipur was laid by the Minister of State for Tourism and Civil Aviation on 18th September, 1971. The execution of the project had been entrusted to the State PWD and work on the foundation was in progress. The proposal for the issue of the sanction for an amount of Rs. 13.17 lakhs (excluding departmental charges of 17½ per cent amounting to Rs. 2.30 lakhs) towards the cost of construction of the Reception Centre at Jaipur had been submitted to the Ministry of Finance for their concurrence. Efforts were being made to persuade the Government of Rajasthan to waive the departmental charges.
- (ii) The work of the construction of motel-cum-tourist reception centre at Varanasi is being executed by the ITDC end is nearing completion.

- (iii) The Ministry of Defence has agreed to release a plot of land (survey No. 208 in Agra Cantonment) for the Tourist Reception Centre, Agra.
- (iv) The Government of Himachal Pradesh has offered land, free of cost, in Simla for a Reception Centre. The Agreement of the State Government is awaited to the payment of the architect's fee for the preparation of plans estimates.
- (v) The plans and estimates for the construction of the Tourist Reception Centre at Patna have been prepared by the ITDC who have been entrusted with the execution of the project and operation of the Centre. However, it has not been possible to take up the construction work so far as the question of transfer of land selected for the Centre is yet to be settled by the State Government."

5.56. The Department of Tourism have stated that while reviewing the arrangements for management of the Reception Centres it had been felt that ITDC would operate the reception centres on the pattern of motels affording facilities for rendering of services to tourists contemplated in the reception centres.

5.57. The Committee consider the proposals for the construction of Tourist Reception Centres at selected places in India viz., Jaipur, Varanasi, Agra, Simla and Patna as a welcome step. The Committee hope that the Tourist Reception Centres, will form the nucleus of all tourist activities in the region and would provide under one roof, all the usual facilities expected by the tourists viz. (i) counters for air, rail and road bookings, (ii) souvenir/curio shops, (iii) handicrafts show rooms and shops, (iv) facilities for left luggage and money changing facilities. The Committee would urge expeditious completion of the various Tourist Reception Centres under construction at present.

While the Committee appreciate the idea of the Reception Centres, they would like to stress that the quality of service to be rendered is of utmost importance. The tourist should be given a feeling that all these facilities exist in their interest and that all genuine difficulties would be redressed without delay. The Committee would, therefore, suggest that Government should review the working of these centres in consultation with State Governments and other interests concerned so as to effect necessary improvements. The Committeewould also suggest that these Reception Centres should be provided at other important places of tourist interest in a phased manner.

H. Road Side Facilities

5.58. With the reduction in travel costs and promotion of group travel, a new class of foreign as well as home tourists has emerged. They prefer to spend less and stay longer. Foreign tourists even though they may come by air prefer to travel by road within the country because it is cheaper and enables them to see the country better. In the context of development of Road Tourism the Department of Tourism has initiated a scheme for the provision of camping sites and motels to provide way-side emenities for long-distance coach tours and self-driven cars.

Camping Sites

5.59. To start with the Department has plans to put up 19 camping sites in the country including one at Delhi. A similar number of camping sites are proposed to be put up in the 2nd phase of the scheme. Each camping site is likely to cost Rs. 1 lakh except the one at Delhi which may cost Rs. 2 lakhs, as a filteration plant will have to be provided for the swimming pool which already exists on the site.

5.60. On 27th May, 1972, this Department issued a letter to 13 State Governments excluding Delhi which are proposed to be included in the first phas of this scheme, detailing therein the salient features of the scheme of camping sites. The cost of construction of the camping site will be met by this Department, while developed land of approximate 2 acres will be contributed free of cost by the State Government. The layout of the camping sites will be with the State Governments who will be responsible for the profits losses on the operations. State Governments have been asked to convey their acceptance and replies are awaited. Progress made in respect of setting up of camping sites way-side restaurants is as follows:—

(i) Camping site at Delhi:

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It was proposed to construct a camping site in Delhi near Humayun Tomb. The land for this site had been provided by the Bharat Scouts and Guides Delhi. On the advice of the Ministry of Law, by-laws in respect of the management of this project had been framed and forwarded to the Registrar of Societies for their approval. for incorporation in the bye-laws of the Bharat Scouts and Guides, Delhi. The file was awaited from the Registrar of Societies, Delhi Administration.

- (ii) Kosi Restaurant:
 - Construction of a cafeteria-cum-restaurant at Kosi was started in March, 1971 under the scheme of development of road-side facilities. The project was being executed by the India Tourism Development Corporation as work deposit scheme. To start the construction, a sum of Rs. 1 lakh was placed at the disposal of the India Tourism Development Corporation during 1970-71. Α provision of Rs. 3.00 lakhs was included in the estimates for the year 1971-72. In the meantime, due to increase in costs and addition of some essential items, the estimates are proposed to be revised to Rs. 5.59.530,00. Department of Tourism recommended to the Ministry of Finances the acceptance of Rs. 5,23,474,00 excluding the provision of Rs. 25,704,00 and Rs. 10,352,00 from the estimates for managerial and overhead charges pending settlement of the terms with India Tourism Development Corporation. In the opinion of the Ministry of Finance the estimates were, however, found to be on the high side and the matter was being pursued with the Ministry and the ITDC. The project was approaching completion and would be ready for commissioning shortly."

5.61. The Committee note that with the reduction of travel costs and promotion of group travel, a new class of foreign as well as home tourist have emerged. This class of tourists prefer to spend less and stav longer and even though they might have come by air, they prefer to travel by road within the country, because this mode of travel was cheaper and enabled them to see the country better. The Committee consider the plans for the setting up of the 19 camping sites in the country to be followed by a similar number of camping sites in the second phase of the scheme as a step in the right direction. The Committee hope the provision of these facilities in the country would give a big encouragement to the flow of tourists traffic to the India, especially tourists belonging to the low and middle income brackets. The Committee would recommend that Government should critically review the facilities at camping sites in the light of experience gathered and the reaction of tourists and effect improvements.

5.62. The Committee need hardly point out that there has been a phenomenal growth of road transportation facilities in the country and that larger number of persons are taking a holiday in their own vehicles or by availing of State road transport facilities. The Committee would, therefore, like Government to take note of these trends and from now onwards set out suitable camping sites to encourage tourism. The Committee note that Government through ITDC have taken the initiative to set up motels on important national highways. They would like this matter to be gone into in depth in consultation with ITDC and IOC so as to encourage the setting up of motels along important routes which are used by the tourists. $\sim \sim$

CHAPTER VI

RESTAURANTS, FOOD & BEVERAGES

6.1. There are 59 approved restaurants in 18 Indian cities. A statement showing the number of restaurants approved by the Hotel Review and Survey Committee is at Annexure. It would be seen therefrom that out of 59 approved restaurants only a small number of these restaurants are really attractive and fully meet the requirements of international tourists.

6.2. There are some restaurants close to monuments and sight seeing places. These restaurants are mainly run by Indian Tourism Development Corporation and some private caterers. U.N.D.P. Team observed that 'with the exception of few, these restaurants have a disappointment for most tourists'. Examples of this kind of restaurants were the tourist restaurants at TAJ MAHAL in Agra and in Mahabalipuram. Hygiene, equipment and catering left much to be desired.

6.3. The Hotel Review and Survey Committee (1968) did not include any airport restaurants among the list of approved Restaurants. Subsequent to that, however, some of the airport Restaurants at international airports like Palam, Santacruz, Dum Dum have come in the approved list.

6.4. The United Nations Development Programme Team, comprising of Dr. T. J. O Driscoll, Chief of Mission, M/s Paul Bernecker, Co-Chief, Robert Memullen, Reinhard Przilski and Mohammed A. EI leithy, submitted their report on Tourism in India to Government in June, 1971. In their report the U.N.D.P. Team have *inter* alia summed up their views on the improvement and development possibilities of restaurants, Food and Beverages in India as under:—

I. Restaurants

(i) The future demand for higher class restaurants attractive to tourists is very difficult to be determined by the present available records. We have to assume that the requirement will rise according to the increase of tourist traffic. As restaurants—with the exception of family-run operations—offer less incentive by way of profits, they

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will furthermore be concentrated on large cities with a better-of clientele. The operation of restaurants requires a high standard of professional knowledge, available at present only in leading hotels with a big restaurants sector. Therefore experienced hoteliers should be encouraged to open or to manage higher class city restaurants. The incentives should be the same as suggested for the development or new construction of hotels. The Consultancy Service should also be available for the planning of restaurants.

- (ii) When planning future restaurants, more open air restaurants should be considered, in places where it is climatically possible, i.e., monsoon temperature permitting. We have noticed that too many restaurants, and not only hotel restaurants are completely covered. Experience from other countries of tourism shows that most people like to eat in the open air, especially if there is a nice view to a harbour, a wonderful beach, a crowded boulevard or a famous monument, which preferably is illuminated in the evening. This recommendation also applies to future hotel restaurants.
- (iii) Restaurants near significant monuments and on sight-seeing routes with a long distance to travel to the next hotel or the next city should be run we feel by private caterers. Private operations, in our experience world-wide, have in general a better atmosphere and management than public restaurants. Therefore, subsidies or priming grants should not be ruled out in the effort to get a qualified management for restaurants in those areas which are of special interest to tourists.
 - (iv) In all places of sight-seeing and other tourist atractions not close to a town or to hotels, there should be available at least a clean cafetaria run under the permanent strict control of the ITDC or competent authorities. Even if this cafeteria does not serve complete meals, it should be able to offer clean and hygienic drinking water, soft drinks and tea, and should also have clean toilets.
 - (v) In our opinion, a certain amount of the financial means provided for the construction of new tourist bungalows

should be used to improve the standard and quality of the present restaurants of the public sector. A list of priorities should be set up in order to considerably improve within about one year—the cafeterias, snack bars or tourist restaurants of the most significant and internationally famous sightseeing places. For example, at the Qutab Minar in Delhi, the Taj Mahal in Agra, in Ajanta and Ellora on the island of Elephanta, in Mahabalipuram or at the Donna Paula Bay in Goa.

- (vi) The international airport restaurants should be operated by qualified caterers. Improving the standard of these restaurants has a special importance as they are prejudicial to the image of India to transit passengers making use of the airport restaurant during stopovers, without seeing anything else of the country and its gastronomic facilities. International airports of other countries have excellent restaurants. Good examples are the Airport Orly in Paris and the Rhein-Main Airport in Frankfurt.
- (vii) Tourists all over the world enjoy speciality restaurants. In our opinion, in India, there is a great lack of this kind of restaurant, even in the centres of tourism. Good class speciality restaurants for sea food or other local specialities could be an excellent attraction not only for foreign tourists but also for Indians.
- (viii) Airplane and railway catering need attention. We recommend that first or all the public railways as well as Indian Airlines seek advice from foreign catering experts on how to improve the food and beverage supplied and the quality of service, without implying heavy additional expense on the respective companies. It might be possible to finance such expert aid within the scope of the UNDP programme.

II. Food

In foreign countries, the Indian cuisine has the reputation of being too spicy, hard to digest, little varied and insanitarily prepared. In addition, the foreigner gets only very slowly used to the taste of the many strange spices. In other words, foreigners will hardly be able to eat the Indian food for a long uninterrupted period. Indian food has an exotic attraction for a foreigner and he will enjoy it for a short time, but he needs western or other food on the basis of a longer stay. This attitude is surely not uni-

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versally true but is common enough to have to be taken into account. Indian meals are not harder to digest than South or East European or Middle American Food. A problem of hotels or restaurants is the sanitary preparation of food. Some vegetarian hotels are good examples of sanitary preparation of typically Indian food.

- In fact, the Indian cuisine has a great variety. This is very little known in foreign countries and it has not been enough sold in the publicity for tourism in India. In addition, the presentation of Indian food does not take into account this great variety. The foreign tourist cannot understand the Indian menu, he, therefore, does not know what he can order or what his meal consists of.
- The main categories of Inidan gastronomy interesting to tourists are summed up as follows:
 - 1. Curries as dressing for all kinds of poultry, meat, fish and vegetables.
 - 2. The Tandoori cuisine.
 - 3. Rice in different varieties.
 - 4. Sea food.
 - 5. Fruit.

- 6. Sweets and fruit juices.
- Apart from this general classification of the gastronomic offering there are specialities in local cuisine which offer plenty of variety.
- Western food, served in most Indian hotels and restaurants, is nothing but an unimaginative copy of continental—especially British—food. Moreover, not all Indian areas are sufficiently supplied with beef, pork or fish. We are at all times sensitive to local habits and desires and if we pinpoint the shortage of beef, it is only that it be recognised as a typical tourist reaction. If it is not available, it becomes all the more important to provide alternative attractive food.
- As there are few cooks in India who are really able to prepare western food, the tourist has practically no other choice but the Indian menu supplemented by the mainly good. Chinese restaurants.

Catering for Airlines and Railways:

We understand that particularly since 1964 there has been improvement in the field. But inspite of the high density of traffic on Indian railways and on the airplanes of Indian Airlines, the catering of these transportation systems is on a low level. On our trips, we had plenty of opportunity to test the quality of service and catering on trains like the Taj Express and on almost all domestic flights of Indian Airlines. What is offered does not at all meet the requirements of foreign tourists. The tourist does not expect luxuries, but does want a minimum of properly prepared refreshments and some choice of soft or even light alcoholic drinks on domestic flights, as he is used to getting in other countries."

III. Beverages

- Beverages are a weak point of Indian gastronomy in the view of the foreign tourists and this for the following three reasons:—
 - 1. Little interest of a great part of the Indian population in alcoholic beverages.
 - 2. Complete prohibition in some States (Maharashtra, Gujarat, and Tamil Nadu) and prohibition prescribed by the day in other cities and States.
- 3. High taxes for imported liquor and wine and very little domestic production, except gin and a few local drinks (Cashew in Goa and Asha in Rajasthan) and a small quite good beer production. In Hyderabad there is Vine cultivation, the products of which, however, need improvement and are also still too expensive.....

Soft Drinks

Soft drinks are exclusively of domestic production, partly manufactured under licence. Besides Coco Cola, there are of course, some other internationally known standard drinks like Tonic Water, etc., but they are very often not equivalent in quality to the international brands available in almost all other countries of the word. The production of soft drinks stil offers considerable potential for the development of India Industry. Needless to mention the quality of the Indian "national drink", tea, was always excellent and in most cases so was the quality of the coffee.

Drinking Water

Drinking water is the main table drink in India, but at the same time one of the greatest problems for foreign tourists. For the next few years, it will most probably be impossible to convince foreign tourists that the boiled drinking water provided in most hotels is safely drinkable. The consequences are that tourists even refuse ice cubes to cool their drinks as ice is also made from drinking water. We cannot overstress the importance of having guaranteed pure drinking water at table.....Together with experts of the Ministry of Food and Agriculture the beverage industry, and with the support of a research institute, the Federation of Hotel and Restaurant Associations should immediately try to find a solution concerning the problem of drinking water. The problem could partly be solved by increasing the supply of bottled water. India should try to produce a standard type of bottled drinking water. provided with hygienic certificate, available for tourists free or at a cheap price in any hotel or restaurant of the country. The mineral springs in India should be medically tested and analysed for their industrial exploitation. A domestic production of high quality table water could be organised (comparisons; Evian in Switzerland, Vichy in France; Selters in Germany, and San Pellegrino in Italy).

6.5. The Committee enquired as to what follow up action had been taken by the Government on the UNDP Team Report. In the post evidence replies furnished to the Committee, the Government instead of furnishing the precise details of follow up action taken on the said report, have only furnished to the Committee the summarised version of the UNDP Report.

6.6. The Committee note that the United Nations Development Programme in its Report had made a number of valuable suggestions for the improvement and development of restaurants, food and The Committee are, however, perturbed to note that beverages. nothing concrete and positive has been done so far to implement the various suggestions recommendations contained in the report. The Committee would, therefore, stress that urgent follow-up action be taken by Government to implement the various recommendations of the UNDP Team in letter and spirit and the Committee informed of the action taken in due course. In this connection the Committee would like to recapitulate some of the important recommendations of UNDP Team, for immediate implementation viz., (i) paying of special attention to standard, quality of service and Kitchen equipment in restaurants (ii) Experienced hoteliers to open or manage higher class city restaurants with appropriate incentives (iii) opening of open air restaurants (iv) opening of restaurants or at least well-run cafeteria near important monuments and on sight seeing routes (v) Bestowing special attention to the International Airport restaurants (vi) giving information of India dishes on Menu Cards and in particular highlighting local specialities. (vii) paying special attention to Airplane and Railway Catering service (viii) paying special attention to find proper solution of the problem of drinking water. Bottled drinking water, provided with hygienic certificate be made available for tourists and domestic production of high quality table water to be organised, (ix) Feasibility of providing bottled mineral water to be explored.

CHAPTER VII

TRANSPORT FACILITIES

7.1. Every tourist who comes to India wants to travel to see some of the places of interest quite apart from the place where he lands. He is also, as a rule, anxious to see the maximum number of places in the shortest possible time. Adequate internal transport facilities of the right kind are, therefore, of the greatest value in promoting internal travel by tourists. Tourist is primarily movement of persons from one part of the world to another either by air, rail, road or sea. Hence transport facilities are obviously vital to the development of travel and tourism. So far as tourism to India is concerned, transport facilities can be broadly sub-divided into two main categories—international transportation and domestic transportation.

(i) Air Travel (International)

7.2. According to the published statistics for 1971, 81.8 per cent of our foreign tourists came by air in 1971, 10.8 per cent by sea and 7.4 per cent by land. Of those arriving by air, 38.6 per cent disembarked at Delhi, 35.5 per cent at Bombay, 9.2 per cent at Calcutta and 6.4 per cent at Madras. Of those arriving by sea, Madras received 37.5 per cent and Bombay received 36.1 per cent tourists.

7.3. About 33 per cent of all tourists arriving by various modes of transportation disembarked at Bombay, 31.5 per cent at Delhi, 9.3 per cent at Madras, 7.6 per cent at Calcutta, 7.3 at Hussainiwala and the remaining 11.3 per cent entered India through various other air, sea and land routes in 1971. About 92 per cent of tourists from U.S.A., 84 per cent from Western Europe 94 per cent from Japan and 87 per cent from Australia (which represent our more affluent markets) preferred air travel for their international transportation to India. International air transportation is thus a vital factor in tourism promotion and air transportation has undoubtedly been the principal cause of what is generally termed as the "tourist explosion" of the last two decades. In the case of India, the value of promotional air fares is particularly significant due to the great distances at which our a affluent tourist markets are located. High spending tourists in significant numbers come mainly from U.S.A., Western Europe, and Australia. One of the principal deterrents to our Japan receiving more tourists is the cost of getting here.

7.4. According to a survey conducted by the Indian Institute of Public Opinion, New Delhi in December, 1969, about 34 per cent tourists stated that they would have incurred more expenditure on other items in the country if air fares had been reduced. About 30 per cent replied that they would have increased their stay in the country if fares had been reduced. These opinions were, however, expressed by persons who were able to afford a trip to India at the then existing fare levels.

7.5. Since India is situated at a considerable distance from the major tourist-generating areas of the world, the initial cost of travelling to India represents a disproportionately high element in the overall cost of the tour. From this point of view, therefore, India is at a great disadvantage. An additional factor working against India is that the fares per passenger mile from distant points to South Asia are amongst the highest in the world. New bulk fares have been introduced on certain routes which do not yet include India. Special group fares at 50 per cent of the return air fare were introduced between Japan and India last year. The concessional fares from the West Coast of America which used to end at Bangkok have now been extended to Calcutta. Previously, it was cheaper to fly round the world from the West Coast than to extend the concessional tour from West Coast upto Calcutta via Bangkok.

7.6. The fare structure is thus an important factor in determining the share which India can secure of future world tourist trade. It is the air fare which largely determines the minimum price at which a holiday can be sold. Any assessment of the future cost of travel must, therefore, be made not only in absolute terms but also in comparison with costs applicable to competing destinations. While airlines are primarily concerned with their net revenue and profitability, there are increasing indications that with the advent of high capacity aircraft, the lowering of fares has not only helped tourism but has also enabled airlines to achieve net increase in revenue. International airlines all over the world have taken an increasing interest in tourism promotion spending vast sums on tourist publicity.

7.7. Fare structures on scheduled airlines are regulated by IATA in respect of member airlines. Pressure by our national carrier can result in IATA lowering fares. However, the interests of a national airline and of a national tourism organisation may not always necessarily coincide. There is, therefore, need for an independent assessment of the fare structures applicable to India to provide a rational basis for recommending reasonable fare revisions which can result in optimising tourist growth without reducing the percentage of returns earned by our national carrier.

7.8. The developing countries in general and these in Far East Asia in particular are at disadvantage in the air fare situation as **It** prevails today. According to a study carried out by the East Asia Travel Association and by the Pacific Area Travel Association on European Market Potential for Travel to the Pacific Area, Pacific destinations are at a distinct disadvantage compared to other competing destinations. The fares between the Europe and the Pacific have higher base-rates and the disadvantage of indirect routes with considerable differences between the geographical mileage and the actual air route mileage used for the calculation of fares. This sector also suffers from a lack of attractive promotional fares such as excursions and individual ITX fares.

7.9. Recently, Air India have introduced special discounted fares by mendatory order. This has helped to some extent but some of the conditions attached to the fare necessarily limit the scope of its tour promotional values. The new youth fares introduced will also help to tap the tremendous potential that exists in this class of tra-More and more students from well-to-do families and young vel. executives with substantial income may well take advantage of the new youth fares and also help to increase tourist earnings. The trend of youth travel is increasing rapidly and our surveys show the largest number of tourists are in the age group 20-29. The number of upper age group tourists visiting India is not likely to grow substantially but may rather show a decline. This is because round-theworld tours are no longer being marketed to the same extent as before due to closing of the Suez and other factors. The older generation of tourists mostly had a preference for such tours because they had the time and money to go round the world, Today's generation of tourists prefer doing one limited area in depth. Besides reduced fares, Air India has in recent years taken а more direct interest in marketing tourism. The "Operation Europe" programme which was started in 1968-69 brought Air India in a close partnership with the Department of Tourism so far as the Continental European market was concerned. This partnership has been unique in the sense that the identity of the tourism organisation as distinct from that of the airline has been maintained. The airlines' own marketing organisation has been utilised to the fullest advantage without prejudice to the interest of other competing international carriers whose contribution to the total marketing effort continues. The experiment proved such a success that it was extended to U.K. and now to Northern America. It is hoped to extend the scheme to other areas as well.

7.10. In recent years non-scheduled charter movements have greatly reduced the cost of travel and extended the tourist markets by offering low-cost inclusive tours. Many non-scheduled operators have close links with tour especially in Europe. Recognising the fact that this feature or European air travel has come to stay, the Indian Government have offered special facilities to allow foreign charter companies to bring in charters subjects to fulfilment of various conditions. Despite the phenomenal popularity of charter traffic in other competing areas, charter traffic to India has not been as encouraging as was expected. Notwithstanding the facilities offered, hardly 2,072 tourists visited India by 56 charters in 1971 and the average stay was only between 7 and 16 days. One of the largest tour operators in Switzerland, for example, sells a 17days holiday in Ceylon for an inclusive cost of S. Fr. 1395 whereas a tour of similar duration in India costs as much as S. Fr. 3295. This is because the various additions to the charter price necessitated by the cost of internal travel over long distances make the total charter package as high-priced as the cost of inclusive tours already available on scheduled airlines in accordance with the IATA regulations. Moreover, the costs also increase because large groups cannot be accommodated at one place simultaneously. In Bangkok for example a group of 480 can be accommodated at one time. The fact remains that our infrastructure today is not yet geared to meet the demand of bulk holiday travel but a beginning has been made to provide such facilities in Kovalam and in course of time, in Goa as well.

(ii) Air Travel (Domestic)

7.11. As regards domestic air transportation, there was in acute shortage of capacity until about a year ago but with the acquisition of Boeing 737 aircraft, the situation has considerably im-In recent months, tour operators overseas have agreed proved. that confirmation from Indian Airlines are being obtained more speedily than before. There is, however, a need for more conscious and planned efforts on the part of Indian Airlines to market tourism by offering concessional round trip fares and additional services for large group movement which apply for reservations several months ahead. However, Indian Airlines faces a number of handicaps such as shortage of capacity, uneconomic routes and fare structure, labour problems, etc. Indian Airlines has been earning foreign exchange from the tourists to the tune of over

Rs. 8 crores per annum. This is a significant contribution to the national economy brought about entirely by tourist traffic. Since Indian Airlines requires foreign exchange for purchase of new aircrafts, it would be in its own interest to foster actively the growth of tourist traffic by offering special services and amenities geared primarily to tourism promotion.

7.12. One of the factors affecting the growth of Indian Airlines adversely has been the slow rate of expansion of its net work. Immediately after nationalisation 19 years ago, Indian Airlines had 64 stations. Today, the figure has gone up only to 74. The density of on-line stations in India is very low. In U.K. there is one airport for scheduled operations for every 5,000 Sq. Kms, and in Japan there is one for every 8,000 Sq. Kms. In India, however, Indian Airlines has only one station for every 50,000 Sq. Kms. This is a very dismal picture especially if we bear in mind the relative inadequacy of our road and rail transport as compared with the more affluent countries. It is, therefore, necessary for Indian Airlines to open a large number of new stations both to serve the nation proper and to assist its traffic growth. Feeder services with appropriate aircraft connecting all tourist centres should be provided by Indian Airlines so that tourists can cover the maximum number of places out international tickets without backtracking.

7.13. During the Fifth Five Year Plan period, Indian Airlines has made a preliminary proposal to open on an average 4-6 new stations per year. While it is natural that the I.A. management's initiative on the opening of new stations would be based on purely commercial considerations, due heed would also need to be paid to the pioneering needs of tourism promotion. In the initial stages, air services to new stations have generally run on a loss e.g. the air service from Delhi to Khajuraho. At present, tourists sometimes find it difficult to obtain seats because of the heavy demand especially during the season. Since such pioneering services to tourist centres are covered within the ambit of the Civil Aviation Development Fund, the Department of Tourism has been of the view that the possibility of initial losses on new routes need not deter the Indian Airlines. A large number of tourist centres can be brought within the reach of the average tourist who is · always hard pressed for time and desires the speediest mode of travel. It is here that consideration needs to be given to using STOL type of aircraft capable of operating from small unimproved ground clearance of less than 2000 ft. length. To give an illustration of the handicaps faced by tourists due to lack of air

connections it may be mentioned that Buddhist pilgrims from Japan, Thailand etc. have to face considerable delays in movement because Buddhist Shrines at Kushinagar, Sravasti etc. involve time-consuming journeys of as much as 8 to 9 hours on slow passenger trains on meter gauge coach (without any air-conditioned class) from Lucknow which is the nearest point served by air. Another similar example is the Hampi-Bijapur-Pattadakal complex in North Mysore.

7.14. It has recently been decided to set up a small team consisting of officials of Indian Airlines and representative of the Despartment of Tourism to look into the various services and amenities provided to tourists by Indian Airlines. A detailed paper listing concrete measures required to be implemented by Indian Airlines was under preparation for consideration of the team.

7.15. In a memorandum submitted to the Committee a leading hotelier has stated:—

"The Indian Airlines have had their difficulties and seem to continue to have them. Their main problem seems to be shortage of capacity. The tourist must be sure that he can get from one place to the other. Today in India a tourist has to book well in advance in order to get reservations and even after he has confirmed reservations, he may find that he does not have a seat. This is not conducive to the development of tourism. The capacity of Indian Airlines must be increased and provision must also be made to develop feeder routes to put new places of tourist interest on the air map. Smaller aircraft with shorter landing and take-off qualities should be added to our fleets. India is a vast country and air travel is an absolute necessity for tourists."

7.16. The Travel Agents Association of India in their Memorandum submitted to the Committee have stated that:---

"India is situated at a great distance from the main tourist markets of the world. As such, airline fares to India form an important ingredient of the total cost of travel for a tourist visiting our country. The non-availability of reduced concessional fares from many points to India is a disincentive for the promotion of larger volume of tourist traffic to India. It is, therefore, suggested that all efforts be made to obtain reduced fares for travel to India from the major tourist markets, in addition to those al^j ready in existence. Facilities in this direction obtained by countries like Thailand, Japan, Hawaai, Fiji, etc. could be taken as parallel examples.

- It would be relevant at this juncture to consider the low cost fares available by charter flights to India, Whilst certain concessions are available for such charter movements, the Director General of Civil Aviation should adopt a more lenient attitude for various ancillary requests that are made in this regard. Problems of advance payment of charges, the requirement to submit full list of passengers in advance and the restriction on Indians settled abroad to undertake tours on such charters are all areas which need re-consideration if the tourist charters movement to India is to grow in a big way.
- The Indian Airlines have a very wide net-work in India and the important tourist centres have been fairly well connected. However, shortage of aircrafts and the proverbial labour troubles seem to fritter away all the good efforts made by the present enlightened Management of Indian Airlines. Their image both within India and abroad has suffered very badly. It is hoped that the recent announcement made by Indian Airlines that they will depute their officials in the various tourists markets abroad will be implemented soon. The confidence in the foreign tour operators in the efficient services that Indian Airlines are capable to render needs to be restored urgently.

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Though seven new aircrafts have been recently added to the fleet of Indian Airlines, it is already felt that their carrying capacity is falling short of the requirements. With the increased flow of tourist traffic in the coming years, coupled with the growing local needs, the Indian Airlines would be woefully short of capacity and hence it is strongly recommended that necessary foreign exchange be allotted to them for the purchase of additional sophisticated aircraft to be added to their fleet."

7.17. In a Memorandum submitted to the Committee the Federation of Hotel and Restaurant Association has suggested that 'all inclusive tours in charter flights should be actively encouraged by creating the necessary facilities in India.' 7.18. Regarding the chartered flights, the Secretary, Ministry of Tourism and Civil Aviation during evidence explained the position thus:---

"I think it might be a good thing if Indian Airlines could have few planes, which could be chartered to tourists or other passengers, who wish to travel by groups, and who do not wish to take the normal scheduled services. These would be in addition to the planes required for the scheduled services. If Indian Airlines had a fleet in addition to its normal requirements, that it, if they had some planes which were available for being chartered out to tourists etc. it would be a good idea. The difficulty is that, right now, planes for this purpose would have to be imported, because, we are not manufacturing them in India. This would entail heavy expenditure in foreign exchange and since the first call on Indian Airlines is scheduled services we will have to ensure that this aspect is not adversely affected. We must fulfil the needs of domestic traffic before considering the purchase of additional aircraft for charter."

7.19. Asked to state as to whether the present capacity was adequate to cater to the travelling public leave alone the projected volume of foreign tourists, the witness stated:—

"To solve that problem, Indian Airlines are now engaged in a study. Indian Airlines will send their recommendations in due course. They are at present engaged in an exercise, working out how many more planes they want etc. When you buy planes, you have to assess aircraft of various types. You cannot just say that you want to buy F27 or F28. You have got to see what planes are available in the market, what is their technical performance, what are their run-way characteristics, how many passengers they can take, what is the cost of operation, economic feasibility studies etc. It is only then that you can come to some conclusions in regard to the type of planes which would suit our requirements in India. Temperature considerations also come into play, Indian Airlines is doing this study at present. They will come up with proposals and we will have to consider them carefully.

I may also say that of the people who come to India, perhaps few would want to charter planes. They come with programmes laid down before, with seats booked on Indian Airlines. It is only some affluent people who might like to charter planes. What I mean is that the capacity of the Airlines should be such that some planes are available for people who have these special requirements. Right now, we are not in a position to meet such requests."

7.20. The Secretary, Ministry of Tourism and Civil Aviation during evidence stated the position thus regarding the revision of Air Fares:—

'The position is that both Air India and Indian Airlines are members of the IATA. The IATA fare structure is in a state of complete chaos. Their fares are absolutely unconscionable, from our point of view, e.g. the fare from Australia to England and back is less than the fare from Australia to Bombay and back. In other words vou travel right from Sydney to England and back and pay less than the return fare from Sydney to Delhi. The reason for this is that the IATA fare structure is discussed in their meetings. We press our point of view that the fares should be cheaper for tourists coming to India. Unfortunately, the IATA machinery is such that we have not been able really to make a great impact. I do not say that our suggestions are always rejected, but by and large, IATA is controlled by the larger agencies like Panama etc. They control the working of IATA. They get what they feel is in their own interest; and they are not very much interested in our country This is not to say that no cheap fares traffic is coming to India. We have introduced cheap fares between India and New York. We have introduced youth fares to Paris and back. We have got special group fares. We have got excursion, student and promotional fares etc. Every country introduces some promotional fares. When we introduce the cheap fare structure to America, we consulted the American authorities because it is open to them to refuse. Unless a similar fare structure is available to them, they would not have agreed."

7.21. Regarding the introduction of automatic system of reservations on the Indian Airlines and as to when it was likely to be introduced, the Secretary, Ministry of Tourism and Civil Aviation, during evidence explained the position thus:—

- "We are somewhat backward in the question of reservations. The reason being we have not yet had them computerised. Many airlines in the world have computerised reservations with the result that confirmation could be obtained immediately. We are planning that Air-India and Indian Airlines should have a joint computer.
- It is a Rs. 15 crore project. This is not to say that Indian Airlines is not working for improvement We are taking steps to improve the reservations system. Some form of computerisation has already been undertaken. Now, it is possible to get confirmation quicker than before. Further we operate from about 74 stations in the country and many of these places are not connected by telex."

7.22. Regarding delay in confirmations of Reservations, the Department of Tourism have stated that though there has been considerable improvement in the situation with regard to confirmations, there is still scope for speeding up the procedures as foreign tour operators have not got geared to "instant" reservation system elsewhere in the world. Some hotels in India also adopted "instant" techniques. Indian Airlines should not, therefore, appear to be lagging behind in this respect.

7.23. The Committee note that according to the published statistics for 1971, 81.8 per cent of the foreign tourists came to India by air in 1971, 10.8 per cent by sea and 7.4 per cent by land. Of those arriving by air 38.6 per cent disembarked at Delhi, 35.5 per cent at Bombay, 9.2 per cent at Calcutta and 6.4 per cent at Madras. The Committee further note that about 92 per cent of tourists from U.S.A., 84 per cent of tourists from Western Europe, 94 per cent from Japan and 87 per cent from Australia which represent India's affluent markets, preferred air travel for their international transportation to India. In the Committee's view, it will have, therefore, to be admitted that international air transportation was a vital factor in tourism promotion.

7.24. The Committee further note that India was situated at a considerable distance from the major tourist generating areas of the world, and that the initial cost of travelling to India represented a disproportionately high element in the overall cost of the tour. The fare structure was thus an important factor in determining the share which India could secure of future world tourist trade. The nonavailability of reduced concessional fares from many points to India was a disincentive for the promotion of larger volume of tourist traffic to India. The Committee further note that though fare structure on scheduled airlines were regulated by IATA in respect of member Airlines, efforts should be made to obtain reduced fares for travel to India from the major tourists markets in addition to those aiready in existence. Facilities as obtainable in countries like Thailand, Japan, Hawaai, Fiji, etc. could be taken as parallel examples. The Committee would also recommend that an independent assessment of the fare structure applicable to India to provide a rational basis for recommending reasonable fare revisions which could result in optimising tourist growth without reducing the perecentage of returns by our national carrier Air-India may also be attempted.

7.25. As regards the domestic air transportation, the Committee note that there was an acute shortage of capacity until about a year ago, but with the acquisition of Boeing 737, the situation had improved as was evident from the reactions of the overseas tour operators. The Committee note that confirmations from Indian Airlines were being obtained more speedily than before. The Committee would, however, stress the need for more conscious and planned efforts on the part of Indian Airlines to market tourism by offering concessional round trip fares and providing additional services for large group movement.

7.26. The Committee note that at present the density of on-line stations in India was very low. In U.K. there was one airport for scheduled operations for every 5,600 sq. kms. and in Japan there was one for every 8,000 sq. kms. In India, however, Indian Airlines had only one station for every 50,000 sq. kms. This, in the Committee's view presented an unsatisfactory position, keeping in view the relative inadequacy of road and rail transport facilities in India, as compared with more affluent centres. The Committee hope that during the Fifth Five Year Plan period more new stations would be opened linking the places of tourists interest in the country.

(iii) Airport Facilities

7.27. International Airports are the first point of contact with India for several tourists. The recently constituted International Airports Authority India (I.A.A.I.) is expected to result in considerable improvement in the maintenance of air terminal buildings, airport amenities and services. The following list will indicate the great scope that still exists for improvement of airport terminal facilities at the four international airports (Delhi, Bombay, Calcutta and Madras) which are under the I.A.A.I. and other airports in the country (which remain under Director General Civil Aviation:—

- (i) Provision for drug stores in terminal building to enable tourists as well as transit passengers to purchase patent medicines, toilet articles and cosmetics.
- (ii) Large size lockers to enable tourists to leave behind unlocked bags, brief cases etc. at the airport.
- (iii) A Post and Telegraph Office to handle domestic and international trunk bookings, parcels etc.
- (iv) Additional telephone booths at international arrival lounge, transit lounge and domestic lounge to enable tourists to make local calls, trunk calls and international calls with provision for money changers booth along-side to provide small change for exchanging foreign currency. Local calls should be allowed free of charge if money changing facilities are not available.
 - (v) Provision of a restaurant of an international standard with bar.
- (vi) Snack bars and cafeteria in domestic and international transit lounge.
- (vii) Shop for sale of fresh flowers and fruits.
- (viii) Covered corridors to connect international arrival lounge with the rest of the airport complex to provide shelter to passengers during monsoon.
 - (ix) Provision of rest rooms with attached baths to be hired out to airlines on lease for accommodating passengers during enforced halts at airports or to enable the tourists to wait for flights at odd hours.
 - (x) Car park should have proper lighting and security arrangements and with provision of shade for cars. This area should not be clubbed with taxi stand. There should also be a system both for private cars and taxis.
 - (xi) Provision of banches in covered space alongwith toilet facilities for drivers chauffeurs who wait outside.

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- (xii) Saloons for hair dressing, manicure, shoe shine and laundry.
- (xiii) Provision of a small nursery with baby-sitters in transitarea.
- (xiv) Room in international lounge for Welcome Service Receptionist and storage of literature.
- (xv) As Welcome Service Receptionist work round-the-clock, provision of retiring room with wash basin and wall cupboard (for storing blankets, pillows, etc.) is essential. This will be in addition to the space for counters in the international arrival lounge and domestic arrival lounge.
- (xvi) Suitable space for screening films in Transit Area. This space should be so designed as to enable the maximum number of transit passengers in the lounge to see the films on the screen. At present, films are screened in the restaurant area of the transit lounge which limits the facility to a small number of passengers.
- (xvii) A small room in the transit lounge area for safe custody of film projector, storage of films, screen and other equipment and to enable Projector Operators to await arrival of transit visitors.
- (xviii) Provision of automatic Conveyor Belts for speedy transport of passengers' baggage from aircraft to customs area and vice-versa.
 - (xix) Provision of "hot line" telephone facilities for providing instant communication to tourists desiring accommodation in reputed hotels subscribing to this scheme.
 - (xx) Provision of strategically located display area in domestic and international transit areas for publicity displays on tourism etc.
 - (xxi) Air-conditioning equipment in transit lounge at Bombay Airport requires immediate replacement as tourists complain bitterly the stuffiness in the transit lounge
 - (xxii) Car park at Bombay Airport should be moved from the front passage of the building and should have a separate

enclosures with proper lighting and security arrangements and with provision of shade for cars. This area should not be clubbed with taxi stand. There should also be a hailer system both for private cars and taxis.

- (xxiii) Additional telephone booths at Bombay Airport at international arrival lounge, transit lounge, domestic lounge to enable tourists to make local calls, trunk calls and international calls with a provision for a money changers booth alongside to provide small change and for exchanging foreign currency. Local calls should be allowed free of charge if money changing facilities are not available.
- (xxiv) Provision of well-illuminated boards at Bombay airport in international and domestic transit lounges to indicate arrivals and departures of flights as well as to indicate location of important offices in the airport, *e.g.*, Tourist Office Counter, Bank, Post Office, etc., for the convenience of visitors.
 - (xxv) At the Calcutta airport arrangements may be provided to transport passengers from the international building to the domestic building and *vice-versa* at a reasonable rate. The distance between the two buildings is almost 1 km.
 - (xxvi) Reservation counters should be provided at the Calcutta airport for Indian Airlines and Railways in the international building for the convenience of foreign visitors.
- (xxvii) Arrangements may be made departmentally to provide fixed price taxi services from airports to city of all centres (in addition to airline's coach services) to minimise harassment of tourists by private taxi drivers, touts.

7.28. In addition, the following facilities are required at the airports mentioned below:—

(i) Aurangabad.—Taxi track may be strengthened to enable operation of Boeing 737 and night landing facilities should also be provided on immediate basis. The terminal building can hardly accommodate 40 persons which is most inadequate. Restaurant is also too small for the existing and potential traffic. Banking and money changing facilities may be provided because complaints have been received that even rupee travellers cheques are not accepted at the airport.

- (ii) Dabolim (Goa).— There should be a new terminal building with an air-conditioned lounge, snack bar, tourist office counter and foreign exchange counter.
- (iii) Keshod.—A good terminal, building with air-conditioned lounge with all counters is essential. There should be a good all-weather runway to receive aircrafts like Viscounts and Avros. A good restaurant and snack bar is also needed.
- (iv) Porbunder.—The runway should be strengthened to receive heavier aircraft and the terminal building requires renovation. We should have a good approach road with proper road signals.
- (v) Gwalior.—The terminal building is far too short of requirement as only the ground floor of the building is available for passenger facilities. The building should be centrally air-conditioned with good furnishing and interior decoration. The frontage of the terminal building should have a lawn and garden.
- (vi) Bhopal.—The building needs renovation and expansion for provision of VIP and passenger lounge, toilet facilities, cafeteria, Indian Airlines Office, etc. The building should be centrally air-conditioned.
- (vii) Indore.—The existing airstrip is only 5600 ft., in length. It should further be extended by atleast 500 ft. to facilitate landing of bigger aircraft. Night landing facilities should also be provided.
- (viii) Khajuraho.—The terminal building requires renovation. A new terminal building with provision of VIP and passengers lounges, toilet facilities, cafeteria, Tourist Counter, Indian Airlines Office, parking place, etc., has to be constructed. The building should be centrally airconditioned. During the summer it is very difficult for the passengers to stay in the building if it is not airconditioned. The approach roads from the entrance gate of the terminal building needs black topping.

All the above airports should have night landing facilities and should have direct telephone link through the long range wireless so that instant bookings can be made. In the absence of direct telephones, there should be teleprinter facilities. Necessary provision has been made in the Fourth Plan for the development of these airports.

- (ix) Bhubaneshwar.—Canteen facilities is essential at Bhubneshwar. The building should be improved with airconditioning and space for Tourist Office counter, money changing, bank, shop for selling handicrafts, books, etc.
- (x) Bagdogra.—The lounge restaurant and toilet facilities should be improved.

More space for car parking may be provided. Space may be provided for a baggage shed and for left-luggage.

(xi) Madurai, Trichi, Trivandrum, Cochin, Bangalore, Hyderabad, Belgaum.—The air terminal building should be enlarged, renovated and given a face lift, with air-conditioning and increased restaurant space serving local specialities alongwith Western style food. Bath rooms should be well-designed with toilets and showers.

There should be provision for Tourist Office counter, post office, bank, money changer and shop for handicrafts and books etc.

(xii) New Airports.—New landing strips runways may be provided at the following places :

Corbett National Park, Pathankot, Dehra Dun, Mount Abu.

- (xiii) Hassan.—Simple terminal with air-conditioned dining room and lounge recommended. One Information Counter manned by an Information Assistant who will report for duty at arrival and departure times of aircraft will be required.
- (xiv) Tirupathi.—It is anticipated that the Tirupathi airport will be highly patronised in view of the large pilgrim traffic to the place. It is essential to have large lounge and reasonable facilities for a good restaurant both air-conditioned for the comfort of visitors. Since the traffic would require special facilities connected with the visit to the temple, it is considered that the temple authorities will have their own information reception centre at the airport, and as such it may not be necessary to duplicate the effort.

(xv) Mysore.-At present Mysore is covered by road from Bangalore, a journey of 86 miles roughly taking 3 hours. It has been our experience that more than Bangalore it is Mysore which is the attractive tourist spot. However, a long journey along a road which runs through many small villages is necessarily slow and tiring. Tourists invariably feel quite exhausted at the end of the 3 hours iourney and have little energy left for sight-seeing. It would therefore be highly useful to have an airstrip or airport near Mysore where small aircarft could land. If it is located between Mysore and Bandipur, it will be a convenient disembarkation point for tourists interested in monuments as well as those interested in viewing wild life at Bandipur and Mudumalai and the bird sanctuary near Srinagapatmum. There is only limited commercial traffic likely on this route but the benefits to tourists and wild life enthusiasts are in favour of such a facility being provided.

An information counter manned by an Information Assistant will be required.

(xvi) Hubli.—It is understood that the Department proposes to develop Badami Ainol Pattadakal complex to make it convenient for visitors to see these great temples. Hubli should be the most convenient airport from which these places could be covered. There is reasonable commercial traffic also between Hubli and Bangalore and Dharwar and Bombay which might make this a fairly remunerative route.

An information counter with one Information Assistant will be required.

(xvii) Nagarjunasagar.—Nagarjunasagar is also located about 90 miles away from Hyderabad city involving 2 or 3 hours journey along pretty drab route. Since the amount of walking involved at the site and in the Nagarjunakonda Museum is considerable, it is a very tiring experience for visitors. Therefore, a regular daily flight to Nagarjunasagar would make the trip considerably more comfortable. It is also anticipated though on these trips travel may initially be low, a large number of domestic passengers who never had an opportunity or wherewithal to use air transport would atleast have one opportunity of flying on a holiday excursion to Nagarjunasagar from Hyderabad city. We consider that especially among young this consciousness of air travel would be an advantange to be utilised.

An information counter with one Information Assistant will be required.

Ixviii) Hospet.—It is considered that air facilities from Bangalore to Hospet could be of great advantage to tourist wishing to visit Hampi. At present this journey can only be undertaken by road or by train and both are very tedious. It might be worthwhile introducing a circular route between Bangalore, Hospet, Belgaum, Goa, Bangalore, Hassan and Bangalore. This would create a very interesting tourist pattern and would cover all the monuments in the area. In view of the development of the industries, steel plants, etc., in and around Hospet, there would be a certain amount of commercial traffic also to start this service.

An information counter with an Information Assistant will be required.

7.29. It has been stated by the Department of Tourism that for all these airports we need simple, well-designed comfortable lounge, good restaurant and toilet facilities. Information counter with one Information Assistant at each of these places is recommended from the Tourist Department's angle. It is also essential that transport facilities at fixed prices should be made available at the airports not only for transfers but also for entire round strips covering monuments in the neighbourhood from each airport. At this point may also be worth-while considering that perhaps if retiring room facilities airport hotel of a very moderate standard could be provided, tourists visiting these monuments would have their accommodation also taken care of.

7.30. It has been stated that these proposals have been forwarded to the Director General Civil Aviation and the International Airports Authority India for being considered in formulating their Fifth Plan proposals.

7.31. The UNDP Team in its report had inter alia observed :

"We are told of the coming into operation on the 1st April, 1971 of the International Airports' Authority. There has had to be a postponement. We are confident that in its planning., the Authority will have full consultation with the users of the facilities, namely-all the airlines, national and foreign, the travel agents and so on. The International airports are the first point of contact with India for so many tourists that every effort should be made to provide first class and modern facilities by drawing on the experience elsewhere and on the specialised consultant services available in airport and services planning. In connection with the planes being added to the fleet of Indian Airlines the necessary operational and terminal facilities must be installed. Besides the planned modernisation of the airports at Delhi, Bombay and Madras, smaller airports which serve tourist destinations should be equipped with the necessary technical facilities to allow landing and departure in the dark. Examples are Khajuraho, Bhubneshwar, Madurai, Bagdogra etc., all destinations where tourists go for cultural sight-seeing and, therefore, would appreciate any arrangement which allows visits of the sights in the morning and in the afternoon. Almost every tourist takes photographs: the better photographers like to choose the most suitable times for this purpose. Therefore, he goes often twice to satisfy both sightseeing and photographing. Itineraries of air connections for the most frequented tourist centres should be set up in cooperation between Indian Airlines and the Tourist Department (Commission). It may be repeated that priority in planning and execution has to be given to those areas which are and will be the main tourist destinations in India. Accessibility and well-organised communications as well as adequate accommodation facilities are the pre-requisites for any further development. The necessary details of the traffic density, kind and cost of communications, categories of accommodation and their proportion to each other must be subject to careful studies."

7.32. The Committee note that international airports are the first point of contact with India for many tourists. It is, therefore of utmost importance that every endeavour should be made to provide first class and modern facilities by drawing on the experience elsewhere and on the specialised consultant services available in airport and services planning. In this connection the Committee would commend the implementation of the various recommendations made by the UNDP Team viz., (i) airports of tourists destinations be equipped with the necessary technical facilities to allow landing and departure in the dark, e.g. Khajuraho, Bhubaneshwar, Madurai, Bagdogra etc.; (ii) itineraries of air connections for the most frequented tourists centres should be set up in cooperation between Indian Airlines and the Department of Tourism; (iii) priority in planning and execution should be given to those areas which are and will be the main tourist destinations in India.

7.33. The Committee would like to point out that the Department of Tourism, as well as of Civil Aviation and the International Airport Authority are under the same Ministry. The Committee, therefore, expect that all matters concerning tourist facilities at airports would be altended to without delay and the requisite facilities provided. In fact, there should be integrated planning in this behalf, so that the facilities developed at a tourist centre at considerable expense, do not come to suffer for want of matching airport facilities, as has happened in the case of Kovalam beach and Trivandrum airport.

II. Road Transport

7.34. Despite the wide net work of railway routes, a large number of tourist centres in India are unconnected either by air or by train, for example centres in Jammu and Kashmir, the Kulu Valley, Kushinagar, Sravasti, Belur, Halebid, Konark, Hampi, Ajanta. Ellora, Mahabalipuram, Kanchipuram, Amber, Fatehpur Sikri etc. Besides such centres, there are also a number of important tourist centres which are located near large cities or ports of entry e.g. Agra and Jaipur (near Delhi). Even though Agra and Jaipur have air as well as rail connections, foreign tourists often prefer to do the journey by road because they can see more of the country this way and the cars can be used for local sight-seeing at the destination point. The distances are not very long and since tourists would have had to take fairly lengthy road journeys to and from airports and railway stations and for local sightseeing, they prefer to undertake a continuous journey by road for the complete trip.

Moreover, for movement of large groups, travel by coach would be definitely more economical than rail or air travel.

7.35. Road vehicles for tourists are thus required for transfers to and from rail air terminals, local sight-seeing and long distance travel. Even in a small town like Agra, almost 100 miles will have to be covered by road by tourists who arrive by air or rail to enable them to see all the places of tourist interest in Agra and Fatehpur Sikri and Sikandra.

7.36. Realising the demand for road transport facilities of acceptable standards, the Department of Tourism started a scheme of approval of private car operators offering vehicles for transport of tourists. According to the existing practice, recognition is given to car operators subject to the fulfilment of the following conditions:—

- (a) The party should have been in the tourist car hire business for a minimum period of two years using vehicles acquired by them independently.
- (b) This condition of two years operation has been relaxed to one year in favour of car operators in 14 centres viz. Udaipur, Khajuraho, Bhopal, Srinagar, Bhubneshwar, Hyderabad, Hardwar, Tiruchirapalli, Goa, Aurangabad, Pathankot, Chandigarh, Bodhgaya and Visakhapatnam.
- (c) No previous experience in tourist car hire business is insisted upon in respect of dealers in automobiles and owners of garages service stations in the 14 centres listed above.
- (d) Ex-Defence Services Personnel are allowed to enter the tourist car business without any prior experience in this line irrespective of the centres in which they wish to operate, provided they have been sponsored by the Director General Resettlement and that they are not hired men of other financiers but have some initial investment of their own.

7.37. Eligible parties are granted approval by the Department of Tourism after their applications have been screened by the State Government|Director of Tourism, the State Government Transport Authority and the head of the Government of India Tourist Office concerned.

7.38. In addition to 119 approved private car operators, the I.T.D.C. also operates tourist vehicles at Delhi, Bombay, Madras, Agra, Srinagar, Patna, Bodhgaya, Jaipur, Khajuraho, Aurangabad, Hyderabad Bangalore, Udaipur and Hassan. Although the provision of transport facilities is primarily the responsibility of the State Governments, those provided by the I.T.D.C. are intended to supplement the efforts of the State Governments.

7.39. Initially, the ITDC's operations were confined to Delhi, Agra, Jaipur. These facilities were expanded to cover other centres to meet the need for tourist transport facilities of accepted international standard. ITDC's services have the effect of acting as pacesetters for raising the standard of service and the equipment utilised. To increase utilisation of ITDC's services, transport counters have been set up at the airports at Delhi, Agra, Jaipur, Udaipur, Madras and Patna. Conducted sightseeing tours are available for Delhi and vicinity, Jaipur, Udaipur, Madras, Patna and Srinagar. A conducted coach tour also operates between Delhi and Agra. Vehicles have been attached to the ITDC's Travellers Lodges at Khajuraho, Bodhgaya and Hassan, the Lakshmi Vilas Palace Hotel, Udaipur and the Kovalam Palace Hotel, run by the ITDC. The total size of the ITDC's fleet is as follows:

						152
DLP Coach	•	•	28			
DLZ cars	•	•	•	•	•	71
DLY cars	•		•	•	•	53

7.40. Foreign tourists who travel by cars are accustomed to comfortable cars which have adequate long space, space for carrying baggage, built in air-conditioning. Such formalities are possible only in large size cars which are not available indigenously. Since import of new cars is banned, it was decided in 1962 to give top priority in the matter of allotment of secondhand imported cars ex-STC to approved agencies in the tourist trade. According to a directive by the Prime Minister in 1964 followed by a Government order in 1968, the tourist trade has been accorded top-most priority in the matter of allotment of ex-STC vehicles at reserve prices.

7.41. In actual practice, however, it has been found that the number of vehicles actually made available is pitifully inadequate to meet even the need for replacing existing vehicles, let alone augmenting the fleet. In the last 17 years, tourist traffic has increased by fifteen times but the number of tourist vehicles in the country has hardly increased by seven or eight times. In the Fifth Five Year Plan period it has been projected that tourists will increase from about 4 lakhs in 1973 to 8 lakhs in 1978. There is, however, so far no indication as to how the existing fleet of large size cars which is in a very unsatisfactory condition is to be replaced and augmented to cater to the needs of the target figure of tourist arrivals. 7.42. Tourist transport operators and the ITDC hold a total of 445 second hand imported cars ex-STC allotted by the Department of Tourism. In addition a total of 228 Ambassador cars have been allotted from a special quota placed at the disposal of Department of Tourism for use as matterless single colour tourist taxis. The number of vehicles made available by the STC this year is about six cars per month on an average as compared to 9 cars per month last year. At this rate, it is very likely that the tourist taxi fleet may well show a net reduction by the end of the Fifth Five Year Plan period because the number of vehicles added to the fleet will fall short of the number of old vehicles being condemned and put out of commission.

7.43. According to a rough estimate worked out by the Department of Tourism, the needs for the Fifth Five Year Plan period can be met in full only if a minimum of 30 cars of suitable makes and models are made available by the STC per month. This will mean a total of 350 cars per annum or 1800 cars being made available by STC in the Fifth Five Year Plan period. It has been our experiencethat out of the total number of cars actually offered by the STC, only about 3 to 4 per month will actually be lifted by the trade for various reasons. It is likely that a total of about only 250 vehicles may actually be added to the fleet by the end of the Fifth Five Year Plan period. By that time the existing fleet would have been completely run to the ground and condemned.

7.44. According to the present indications, the gap in availability of the cars would be of the order of about 1500 cars by the end of the Fifth Five Year Plan period. This matter has been taken up at the highest level with the STC and it has been impressed upon the Ministry of Foreign Trade also that the Government order allotting highest priority to the tourist trade should be observed both in letter as well as in spirit. The position is being watched for possible improvements and will be reviewed after a few months, if found necessary. In case the position does not improve radically, there will be no alternative but to approach Government for a review of the policy regarding import of cars to meet the needs of tourist transport trade. These cars are not regarded as a luxury by tourists but as basic minimum necessities by way of travel facilities.

7.45. With a view to providing financial assistance on easy terms to the approved agencies in the tourist trade, a scheme for hire-purchase of tourist transport vehicles was introduced in 1970. Financial assistance amounting to Rs. 12 lakhs has so far been sanctioned by the Hire-Purchase Sanctioning Committee in favour of 15 parties. Out of this, an amount of Rs. 6.05 lakhs has actually been disbursed to finance purchase of 30 vehicles.

7.46. The Committee enquired whether any survey to assess the tourist taxis requirements in India had been made. Explaining the position, the Department of Tourism in a note furnished to the Committee have stated the position thus:

"No authoritative information is readily available regarding the actual number of tourist vehicles in operation all over the country. The Department of Tourism has not carried out any on-the-spot survey of vehicles suitable for hire to tourists. However, in August, last year, efforts were made by the Travel Trade Division of the Department of Tourism to obtain this information by correspondence from all the State Governments through our Tourist Offices in the four regions. Despite protracted correspondence and reminders, however, very few replies were received and some of these replies gave incomplete or irrelevant information. On 4th July, 1972, the Additional Director General personally addressed a d.o. letter to the Transport Commissioners of all the States soliciting their cooperation in compiling the data. Even after this, replies are still due from Uttar Pradesh, Madhya Prdesh, the Union Territory of Delhi, Punjab, Kerala, Rajasthan and Andhra Pradesh. Replies received from Mysore, Himachal Pradesh, Chandigarh and J. & K. were incomplete and clarification had to be sought. However, with the assistance of our four regional offices who contacted all the State Governments directly, some information has now been compiled.

According to this information the total number of available vehicles suitable for hire to tourists is as follows:

Indigenous	Imported	Cocches	Miscellaneous	
 344€	615	682	58	

7.47. Regarding the future requirements it is estimated that the following additional vehicles will be required for tourist traffic

during the Fifth Five Year Plan period:

Imported cars	•	•	•	•	•	1800 (300% increase)
Indigenous cars	•	•	•	•	•	6000 (about 200% increase)
Coaches etc. •		•	•	•	•	2700 (400% increase).

7.48. A leading hotelier, in a Memorandum submitted to the Committee has observed that:

- "Since Independence India has failed to satisfactorily develop road transportation. We do not have a well-built passenger vehicle either of a coach type or a car which is of international standards. Sometime back a tourist survey was made which dealt with impressions that tourists formed about various countries and it is interesting to note that Thailand ranked higher than India in so far as climate While there is no doubt that India has a is concerned. better climate than Thailand, this impression was carried by the tourists because of the fact that all transportation in Thailand which is used by tourists is air-conditioned. including the taxis. In India, even the few air-conditioned coaches that are available in Delhi generally do not function. The taxis are a disgrace and would be placed on a junk heap in any other country. There is nothing more annoying for a tourist than to have a coach which is stated to be air-conditioned and for which he pays a higher price, which fails enroute. If, therefore, tourism is to develop in this country, it is vital that airconditioned coaches and airconditioned cars are made available at reasonable prices. The Indian automobile is probably the most expensive in the world for its type, and, here again, some special concessions are necessary."
- 7.49. The UNDP in its Report recommended:

"The transport trade suffers from some severe disabilities:

- (a) (i) Non-availability of modern tourist cars. Although through the State Trading Corporations second-hand imported cars are made available to the transport operators these cars are roughly used, badly maintained and very costly in maintenance. Spare parts are also normally not available.
- (ii) A system of safely inspection for tourist cars and buses to be instituted at least twice annually.

- (iii) Private professional tourist transport trade should be added with adequate means of transport and at prices which can meet the operational costs and a reasonable return on investments. For this purpose cars and coaches should be imported without any import duty at regular prices, sold to the tourist car operators on the condition that these cars can be resold on the prescribed conditions.
 - (b) Free and easy inter-State movement of cars/buses be permitted with the system of all India Permits.
 - (c) Tariffs to be brought uptodate. Although cost and working conditions of car operators have completely changed the tariffs are still on the basis of 1947 conditions.
 - (d) Foreign collaboration with transport enterprise, similar to that existing in the hotel trade. A conference of Tourism and Transport Ministers should be held to the European-like reach liberalisation of the inter-State bus services. Self-drive car hire be could an important asset to tourism in India in the near future. Dialogue should be maintained with companies like Avis and Hertz. A great deal of destination holiday advertising can be secured by India at no cost utilising a world wide international car hire firm.
- (e) Organise coastal cruises which would be an immediate answer to severe shortage of hotel rooms in some areas while at the same time offering daily excursions inland for the passengers.
- **Tour Operations**

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- A country's image is created for a foreign visitor largely by his first impressions. International arrival airports should be streamlined and customs and immigration facilities modernised.
- The role of the private tour-operators/travel agent in India should be recognised as a most important and need arm of increased tourism. Transport operators should be permitted to purchase new imported air-conditioned vehicles/ coaches. Standard procedure to be established with other concerned Departments for handling large groups upon arrival at airports and hotels to ensure quick clearance and

minimum irritation. Hospitality to travel agents and tour operators."

7.50. The UNDP Report on Tourism in India had recommended that "(i) Tourist cars in use should be inspected regularly for safety reasons. (ii) cars (spares etc.) suitable for touring should be regarded as equipment for an export industry and made available for import at economical prices by private operators as well as the ITDC." The Committee enquired as to whether Government had evolved any machinery for the inspection of tourist cars at regular intervals. In reply the Ministry of Tourism have stated:

- "Tourist cars are in the category of vehicles for hire which are inspected periodically by technical officers of the Transport Departments of State Governments functioning under the Motor Vehicles Act. The Department of Tourism, however, also makes some inspections to ensure that vehicles are maintained attractively. As most vehicles with the trade are used vehicles made available almost without choice, second hand, the problem relating to making available satisfactory vehicles to tourists is not necessarily solved by inspections. Until the country manufacturers such cars, direct imports appear to be the only solution but cannot be implemented in view of the difficulty of foreign exchange availability.
- Regarding the steps taken to import tourist cars it has been stated that the Department of Tourism assists approved car operators in the matter of obtaining import licence as also release of foreign exchange for the purpose of importing essential spare parts for the ex-STC vehicles allotted to them for use as tourist taxis".

7.51. The Committee note there are at present 119 approved private cars operators in the country. Besides this India Tourism Development Corporation fleet of 152 cars also operates tourist vehicles at Delhi, Bombay, Madras, Agra, Srinagar, Patna, Bodhgaya, Jaipur, Khajuraho, Aurangabad, Hyderabad, Bangalore, Udaipur and Hassan. The Committee further note that the total number of vehicles suitable for tourists available in the country are 4801 in numbers out of which 3446 are indigenous cars 615 imported cars, 682 coaches and 58 Miscellaneous cars. According to the estimates worked out by the Department of Tourism a total number of 10500 additional vehicles, (1800 imported cars, 6000 indigenous cars, coaches etc. 2700) would be required for tourist traffic during the Fifth Five Year Plan period to meet the needs of tourist traffic.

7.52. The Committee note that according to the projections of tourist arrivals in India tourists traffic will increase from about 4 Takhs in 1973 to 8 lakhs in 1978 and 10 lakhs by 1980. The Committee are not clear as to how far the existing fleet of large size cars would be replaced and augmented to cater to the target figures of tourist arrivals. In this connection the Committee note that in pursuance of the directive issued by the Prime Minister in 1964 followed by a Government order in 1968, the tourist trade has been accorded top-most-priority in the matter of allotment of ex-STC vehicles at reserve prices. In actual practice, however, it has been stated that the number of vehicles made available was inadequate to meet even the needs for replacing existing vehicles, let alone augmenting the fleet. The Committee note that during the last 17 years, tourist traffic had increased by fifteen times, but the number of tourist vehicles in the country had hardly increased by seven or eight times.

7.53. The Committee further note that at present Tourist Transport Operators and the I.T.D.C. hold a total of 445 second hand imported cars ex-STC allotted by the Department of Tourism. The number of vehicles made available by the STC during the year 1971-72 were about 6 cars per month on an average as compared to 9 cars per month last year. At this rate of the Committee feel that the tourist taxi fleet might show a net reduction by the end of the Fifth Five Year Plan period because the number of vehicles added to the fleet would fall short of the number of old vehicles being condemned and put out of commission. Further to quote the U.N.D.P., Report . "although through STC, second hand imported cars are made available to the tourist operators, these cars are roughly used, badly maintained and very costly in maintenance, spare parts are also not normally available."

7.54. According to the rough estimates worked out by the Department of Tourism the needs for Fifth Five Year Plan could be met in full only if a minimum number of 30 cars of suitable lakes and models were made available by the S.T.C. per month. This would mean 350 cars per annum or 1800 cars being made available by the STC in the Fifth Plan period.

7.55. According to the present indications the gap in availability of cars would be of the order of about 1500 cars by the end of Fifth Five Year Plan period. The Committee feel that if tourism is to develop in India, it was of vital importance that air-conditioned 258 LS-11. coaches and air-conditioned cars are made available to the tourist industry at reasonable prices. The Committee hope that the charges levied from the tourists are effectively regulated so that the objective underlying in the sale of imported vehicles at fixed prices, are served.

Inter-state Movement of Tourist Vehicles

7.56. In a Memorandum submitted to the Committee, India Tourism Development Corporation has represented thus regarding the inter-State Movement of Tourist vehicles in India:—

"The major obstacle is the present inter-State permit system. The existence of this permit system in many States and restrictions placed in inter-State movement of tourist vehicles indicate how little is understood at the State level the need for tourism development and the contribution which tourist traffic can make to economic development in the States. An all-India policy of encouraging and facilitating the movement of tourist vehicles between States is an essential requirement."

7.57. Similarly the Travel Agents Association of India in their memorandum submitted to the Committee have stated:—

"Important questions like a common permit for the movement of tourist vehicles all over the country still defy solutiondue to the lack of co-operation from certain State Governments. It is ridiculous to visualise that individual permits have to be obtained from different State Governments for a vehicle to move from one state to the other in our country, when the tourist vehicles can move freely through different countries in Europe on a single permit."

7.58. Explaining the steps taken by the Department of Tourism, regarding the Inter-State Movement of Tourist vehicles on single-point taxation basis, it has been stated:---

*The situation about permits for inter-State movement of tourist vehicles across State boundaries and payment of road passenger tax has continued to be unsatisfactory for almost two decades. In order to solve this problem, Section. 63(6) was inserted in the Motor Vehicles Act in 1956 toenable the issue of special permits for each trip undertaken by public service vehicles on a contract basis. These permits enable the vehicles to traverse other regions or States without counter signatures of other Transport Authorities.

- As this system involved prolonged formalities for each inter-State trip, it was recommended at our instance, by the Transport Development Council in the 1963 that regular permits for a limited number of vehicles be issued to permit inter-State movement without counter signature for say 3—5 years. Model rules for this purpose were drafted by the Government of India and circulated to the State Governments for adoption in February, 1964. All the States, except Assam, Jammu & Kashmir and West Bengal notified these Rules but they were found to be inoperative as a result of legal lacunae which had to be corrected by amendments in the Act.
- Substantive provisions were then included in the Motor Vehicles Act which was amended in 1969 in respect of tourist vehicles vide sub-sections (7), (8), (9) and (10) of Section 63. These provisions enable the Central Government to prescribe the number of regular permits which shall be granted by the State Government, for such vehicles, for operation throughout the country or in any part thereof (sub-section 7), the security deposit to be furnished by the applicants for such permits (sub-sections 8 and 9), the requirements regarding the seating capacity, standards of comfort, amenities and other matters to be compiled with by deluxe tourist coaches sub-section 10(i); and the qualifications and conditions to be possessed by the drivers of such vehicles sub-section 19(ii).
- So far three Notifications have been issued, one on 9th July, 1971 fixing the amount of security deposits; second on 9th March, 1973 fixing the number of permits for tourist motor cabs and omni-buses at 100 and 25 respectively for each State/Union Territory and the third on 8th September, 1972 specifying the seating capacity, standards of comfort, etc. to be complied with by deluxe tourist coaches.
- The Ministry of Law have advised the Ministry of Transport to draft and issue a notification prescribing the qualifications of drivers of tourist vehicles. This is expected to be issued shortly.
- The original idea of framing and circulating revised model Rules, which were to embody the aforementioned provi-

sions, for adoption by State/Union Territories has, on the advice of the Ministry of Law, been abandoned since the amendments to Section 63 vest all powers in the Central Government. Accordingly, to implement the provisions thereunder, as stated above, the Ministry of Shipping and Transport (Transport Wing) have issued/are issuing relevant notifications.

- The question of taxation on motor vehicles chartered by tourists for inter-State movement has also been examined. At present, such taxation is governed by reciprocal agreements whereby a specified number of vehicles including tourist vehicles operating on inter-State routes between contiguous States is exempted from payment of road tax in the other States if tax has been paid for them in the 'home' State. These vehicles are however, not usually exempted from payment of passenger tax. In order to promote the development of tourism based on the recommendations of the last meeting of the Transport Development Council held at Srinagar in August, 1971, the Ministry of Transport have requested the State Governments/ Union Administrations in their letter of 3rd November, 1971 to issue Notifications immediately exempting such tourist vehicles registered in the other States from payment of road tax and passenger tax in their territories, if taxes in respect of the vehicles had been paid in the 'Home' State. If all States fall in line, this should meet the requirements of the tourist trade. As the response was not adequate, the Union Minister of Shipping and Transport addressed a personal communication to all the Chief Ministers on 15th April, 1972. The position of replies received by the Ministry of Transport so far is not very encouraging as a number of 'States' have not responded to the Minister's communication at all and some States have accepted suggestion with reservations.
- It is understood from the Ministry of Transport that reminders to the non-responding State Governments/Union Administrations have been issued. The response thus far is not adequate. There is reason to believe that the quantum of revenues that might actually be lost to each State exchequer as a result of this tax exemption would be negligible. (The Ministry of Transport, at our instance, agreed

last year to obtain estimates of the existing revenue from this source but no information has been received so far from the States). Despite the comparatively low quantum of revenue, the negative approach taken by half of the States on this question can endlessly hold up a final settlement. Perhaps one solution that could be considered is to include the subject of taxation on transport in the list of concurrent subjects by a Constitutional amendment. This may appear to be a drastic remedy, but short of this, no other course of action seems to be capable of settling a matter that has been hanging fire for the last sixteen years."

7.59. The Committee pointed out during evidence that the tourist vehicles could move freely through different countries in Europe on a single ticket and enquired what precisely were the difficulties in introducing a common permit for the movement of tourist vehicles all over the country in India. The Additional Director General of Tourism in reply stated:—

"The situation about the permits across State boundaries and the issue of road and passenger tax has continued to be unsatisfactory for the last twenty years. In order to solve this problem Section 63(6) was introduced in the Motor Vehicles Act in 1966 to enable the issue of special permits for each journey undertaken by public service vehicles on contract basis. These permits enable the vehicles to travel in all regions and States without the permission of other transport authorities. As this system involved verv long formalities for each inter-State trip, it was recommended at our instance by the Transport Development Council in 1963 that regular permits for a limited number of vehicles be issued to permit inter-State movement for a period of three to five years. Model rules for this purpose were drafted by the Government of India and circulated to the State Governments for adoption in February, 1964. All the States except Assam, Jammu and Kashmir and West Bengal notified these rules, but they were found to be inoperative as a result of the legal lacuna which has to be corrected by amendment in the original Act itself. Substantive provisions were then included in the Motor Vehicles Act in respect of the tourist vehicles, through subsection 7, 8, 9 and 10 of Section 63, in modification of sub-section 6, which was introduced. These provisions enable the Central Government to prescribe and regulate the number of regular permits granted by the State Governments for operation throughout the country, the security deposit to be furnished, the requirement regarding seating capacity, standard of amenities and other matters to be complied by luxury class of coaches etc., and the qualifications and conditions to be possessed by the drivers in a such vehicles etc. So far three notifications have been issued, one on 9th January, 1971 fixing the amount of security deposit second on 9th February, 1972 fixing the number of tourist coaches in each State, Union Territories and the third on 8th September, 1972 specifying the seating capacity etc. The notification prescribing the qualifications of drivers of tourist vehicles is expected to be issued shortly.

- Various other notifications required are under issue in the Ministry of Transport. The question of taxation of motor vehicles chartered by tourists for inter-State movement has also been examined. Such taxation, at present, is governed by reciprocal agreements whereby a specified number of vehicles, including tourist vehicles, between contiguous States is exampled for road tax by the other State if the tax has been paid in the home State. These vehicles are not usually exempted from payment of passenger tax.
- A conference was held in Srinagar in August, 1971. The Ministry of Transport have requested the State Government and the Union Territories on 3rd November, 1971 to issue notifications exempting such tourist vehicles registered in other States if tax has been paid in the Home State. If all the States agree, this should meet the requirement of the tourist trade. As the response was not adequate, the Ministry of Transport has addressed communications to all the State Governments. It is at the level of the Minister of Transport and Chief Ministers of the various States. This was issued on 15th April, 1972. The position from replies received by the Ministry does not seem to be very encouraging. The response is really unsatisfactory. Of course, we have been sending the reminders. Despite, we have suggested that the quantum of tax itself is so low

that they do not take a negative approach in this matter and we have pressing at our level. The number of tourist vehicle is very small. A suggestion has been received by us that this should form part of Central legislation. As you know, it is difficult to transfer the matter of taxation between State and Centre and therefore even though this remedy may be available, I don't think this will result very easily in improving the situation."

7.60. The Committee note that tourist vehicles can move freely through different countries in Europe on a single permit. In the case of India, however, at present individual permits are required to be obtained from different State Governments for a tourist vehicles to move from one State to another. The Committee note that although the Government have made consistent endeavours to solicit the cooperation of the different States for the introduction of single permit system for inter-State movement of tourists vehicles across State boundaries, it has defied solution so far. The Committee would, therefore, recommend that in order to overcome these difficulties, the Government might examine the question at the highest level with a view to solve the problem.

III. Rail Transport

7.61. It has been stated that at one time, the Railways were greatly interested in tourism promotion. The first tourist publications on India were brought out by Indian Railways. The decline in popularity of rail travel so far as foreign tourists are concerned coincided with the revolutionary strides made by air transportation during the last 20 years. Even so, the Indian Railway system today is the largest in Asia, and the second largest in the world if we take into account all the railway systems which work under single management. India is a vast country stretching 3220 kms. from north to south and almost the same distance from west to east. On an average, hardly one point in every 50,000 Sq. Kms. of territory is connected by air. It is, therefore, inevitable that rail travel will have to be depended upon for reaching substantial parts of the -country for a considerable time to come.

7.62. Until last year, the railways offered the following concessions to foreign tourists:

(a) a concession of 15 per cent on travel by air-conditioned class; and

(b) "Travel as you like" tickets valid for 30 days available at a cost of R. 806.

The concessions, however, did not prove useful for tourists because the procedure laid down by the railways for granting these concessions was somewhat cumbersome and led to frequent complaints. Not many tourists availed themselves of these concessions and it was felt that they were not worth the trouble involved. They were, therefore, given up.

7.63. Since rail travel will have to continue to fill the gap in communications, it is desirable that the railways should adopt a more tourism-oriented approach. Tourists in the younger age groups arevisiting India in larger numbers. Since young tourists generally travel on a budget, the current youth influx does justify greater attention to rail facilities. Reservation quotas in all cases of rail travel would, therefore, be required for foreign tourists. At present, foreign tourists have the facility to make reservations 180 days in advance in ACC and 1st Class only. In view of the increasing number of tourists in younger age groups, the facilities should be extended to the remaining classes of rail travel as well e.g., airconditioned chair car, second class and third class, which are greatly in demand with the travelling youth.

7.64. Similarly, provision of bad rolls should be extended to foreign tourists travelling not only in the upper classes but also in the second and third classes. There is a need to increase the number of air-conditioned coaches to meet the tour operator's requirements for special trains. Considerable difficulty is experienced by travel. agents in obtaining confirmations of reservations of special tourist trains even when requests are made some months ahead.

7.65. There is considerable scope for improvement of short notice reservation facilities as well. Tourists are generally not made awareof the facility of assistance for reservations from special quotas. available to them through the Chief Reservation Supervisors. This system could be further streamlined by positioning the railwaytourist guides at the stations so that full facilities are available under one roof. The system of onward reservations also needs improvement as tourists often find telegraphic requests lying unattended.

7.66. There are other areas also where improvement could take place e.g. catering, display of tourism posters, display of noticesregarding exchange of foreign currency, display of total and taxi rates at railway stations etc. Above all, rail travel should be made more attractive by opening concessional rates available only against payment in foreign currency. This would also help to curb leakage of foreign exchange.

7.67. Hill station concessions used to be available for seven months of the year but are now available for a reduced period of five months only. While fully appreciating the fact that the present capacity of the railways may not justify the grant of concessions on commercial considerations, this only prove that the present capacity is far short of what it should be. Rail travel should be encouraged not only to encourage foreign traffic but also, to promote domestic travel which is an important factor in national integration.

7.68. A proposal has been made to set up a Railway Cell in the Department of Tourism manned by officers of the Railway Board The Cell will be specially charged with the task of catering to the needs of tourist traffic and ensuring that the facilities and amenities are of the required standard.

7.69. It has been stated that action is being taken in the Department of Tourism to obtain sanction of the Ministry of Finance for creation of the posts so that the Cell may start functioning as early as possible. It is expected that once the Rail Cell starts functioning, these will be considerable imporevement in the situation so far as rail travel is concerned.

7.70. Since a target of 10,00,000 (one million) tourists is to be reached by the year 1980, the Committee enquired whether details had been worked out with the Indian railways in regard to:

- (i) availability of extra capacity at reasonable rates;
- (ii) availability of air-conditioned rail coaches at short notice on all and secondary rail routes to places of tourist interest;
- (iii) the priority to be given to foreign tourists for reservations of seats on the railways in advance for places of tourist interest;
- (iv) ticket being made available to foreign tourists on concessional rates.

7.71. In a note furnished to the Committee the Department of Tourism, have explained the position thus:

"Regardless of the fact that air travel has contributed to the phenomenal growth in tourism today, it is Department's

view that the future of tourism in our country is still linked with Rail and road facilities. The reduction in travelling cost and the new urge on the part of the general public to travel will swill the market of new classes of tourists wishing to stay longer and spend less. Conscious of these factors, the Department of Tourism in the past constantly sought assistance from the Indian Railways in creating various facilities for foreign tourists. In fact, in order to achieve maximum collaboration between the Indian Railways and the Department of tourism, we have a proposal to set up a Railway Cell in the Department to be manned by the officers of the Railway Board. This cell will be especially charged with the task of catering to the needs of tourist traffic and ensuring that the facilities and the amenities are the required standard.

It may be mentioned here that the Railways have recently turned down Department's suggestion to restore (in a modified form) the old 'Travel As you Like' ticket for foreign tourists, students concessions for first class, extension of hill station concession for the period 1st April to 31st October, on grounds of losses being suffered by the Railways."

7.72. It has been represented to the Committee that "there was a general complaint against Railways that they are still not tourismoriented in the matter of minor details like facilitation in bookings, reservations etc." Giving their views in the matter, the Department of Tourism has stated:—

- "Since rail travel will have to continue to fill the gap in communications, it is desirable that the railways should adopt a more tourism-oriented approach. Tourists in the younger age group are visiting India in larger numbers. Since young tourists generally travel on a job, the current youth influx does justify greater attention to rail facilities.
- Reservations quotas in all classes of rail travel would, therefore, be required for foreign tourists. At present foreign tourists have the facility to make reservations 180 days in ACC and First Class only. In view of the increasing number of tourists in younger age groups, the facilities should be extended to the remaining classes of rail travel as well e.g. air-conditioned chair-car and third class which are greatly in demand with the travelling youth.

There is considerable scope for improvement of short-notice reservation facilities as well. Tourists are generally not made aware of the facilities of assistance for reservation from special quotas available to them through the Chief Reservation Supervisors. This system could be further streamlined by positioning the railway tourist guides at the stations so that full facilities are available under one roof. The system of onward reservations also needs improvement as the tourists often find telegraphic requests lying unattended. The above suggestions among others have been conveyed at the highest level to the Union Minister of Railways."

7.73. Regarding the railway reservations for tourists, the Additional Director of Tourism, explained the position thus during evidence:

- "The unsatisfactory position of the Railway has been in correspondence between us and the Railways and ultimately, the last Railway Minister suggested that in order to give totality to this problem it is necessary to constitute a Railway Cell in the Department of Tourism which would have powers to deal with all the Zones of the Railways and ensure that tourism movement is satisfactorily met. The position has been unsatisfactory in the sense that adequate arrangement cannot be made in time or confirmation cannot be obtained very much in advance. The team tourists from abroad want to register themselves a year in advance whereas facilities in the Railways are there presently for 180 days only. On this subject, we have received the recommendation of the Railway Board about the constitution of a Cell and we referred this to the Ministry of Finance. This Cell will be able to function in the case of tourist traffic.
- The second point is that the Railways themselves discussed this with us and they have said that they will operate, in future, special trains on fixed days travelling ove a fixed route as given by the Tourism Department, covering very important places. The will be self contained including facilities of restaurants etc. Four routes are being worked out on an experimental basis."
- The routes are two on broad-guage and two on meter-guage connecting important places of sight-seeing. For example, we are including places like Delhi, Agra, Benaras, Patna in one of the routes. On these routes we have got

about 6000 miles which we consider a good enought journey for overnight stay. The details are not yet worked out with the Railways; we are in the process of sorting it out with them.

We are also taking up this with the Travel Agencies to see that the special trains provided by the Railways are capable of carrying about 112 passengers. These would airconditioned trains. It will be like a hotel on wheels. It will be all combined and the people going by these trains can get down at certain stations, have the sight-seeing and coming back by the same train. This is a new innovation which is being worked out. In so far as the indiconcerned vidual torists are we are trying to organise what should be the stoppages, where all the trains could halt, what are the places they can visit within hours and so on. As soon as the details are available, they would be placed in the market."

7.74. The UNDP Team in its report (1970) on Tourism observed thus:—

"Railways in India operate a net of 58,877 km and transported in 1967-68 a total of 107,163 million passenger kilometres. Express trains connect the main cities but the huge distances and therefore, the duration of railway travel allow the use of this means of transport only to long stay tourists. Problems of reservation as well as catering exist. There are dining-car on the main routes, but is advisable to avoid meals on the trains if possible. The Tourist Development Council passed a resolution at its 14th meeting, held at Madurai in October, 1970, in which the Indian Railway Authorities are requested to "pay greater attention to the provision of tourist facilities in the matter of clean maintenance of coaches, sanitation, platable food in hygienic containers....." The railways authorities and their activity play a decisive role in any their activity play a decisive role in any tourism development programme and although torism may be just a very small revenue producing sector within the railway operation itself, investment in adequate transport facilities is justified by the indirect profitability of the tourist expenditure within the country. For tourist purposes only air-conditioned coaches can be used and it is obvious that not enough of these coaches are available. Bookings for air-conditioned railwav travel must be made one month in advance, so that tourism to

and within India must be based on a very exact timetable. This is a very hindering factor for travel encouragement to India. Special attention should be paid to the punctual and fast operation of long distance trains on tourist routes."

7.75. A leading hotelier in a Memorandum submitted to the Committee stated:—

"Although Railways were the pioneers in the tourist field in India, they seem to have lost their initiative. There is very little consciousness in the Railways of foreign tourism. Due to the losses that the Railways have been suffering, they seem to have completely forgotten about the possibilities of earning money from high-rated traffic. There is considerable support for developing airconditioned travel but the Railways are not doing enough in this direction."

7.76. The Committee note that India is a vast country stretching 3220Kms. North to South and almost the same distance from West to East. Rail travel will have to be in the main depended upon for reaching various parts of the country for a considerable time to come. It is essential that the Railways adopt a more tourist oriented approach. The Committee note that tourists in the younger age groups are at present visiting India in large numbers. Since the young tourists generally travel on a limited budget, the Committee consider that the current youth influx does justify greater attention being paid to rail facilities.

7.77. The Committee note that ae prtsent the foreign tourists have the factility to make reservations 180 days in advance in Air conditioned coaches and 1st class only. The Committee feel that these facilities should be extended to the remaining classes of rail travel by tourists for example in airconditioned chair car, second class and third class which were greatly in demand with the tourists in the younger age group.

7.78. The Committee would also suggest that provision of bed rolls to foreign tourists travelling not only in upper classes, but also in the second and third classes. The Committee further feel that there is considerable scope for improvement of short notice reservations facilities for the foreign tourists. The tourists are generally not aware of the facility of assistance for reservation from special quotas available to them through the Chief Reservations Supervisors. The Committee would, therefore, suggest that the special quota of reservations available to foreign tourists should be publicized and made known t_0 all those organisations handling tours of foreign tourists. It has been brought to the notice of the Committee that foreign tourists experience considerable difficulty in making forward reservations from one destination point t_0 another. The Committee would like the Railways to examine the difficulties of the foreign tourists in depth, in consultation with all concerned and evolve a satisfactory and efficient procedure, for making reservation facilities available to the tourists on an assured basis.

7.79. The Committee note that there is a proposal for setting up a Railway Cell in the Department of Tourism which would have powers to deal with all the Zones of the Railways and ensure that rail facilities for tourists are provided in a satisfactory manner. The Committee also welcome the proposal to operate special trains over a fixed route to connect important places of tourists interest. The Committee stress the need for early implementation of the above and other related suggestions in the interest of providing better facilities to foreign tourists.

IV. Sea Travel and Inland Water Transport

7.80. Sea travel has lost much of its importance today. With the closure of the Suez Canal, the number of ships calling at Bombay has been greatly reduced. Tourist statistics for 1971 indicate that 10.08 per cent of tourists to India came by sea as against 81.8 per cent by air. The share of sea arrivals in 1970 was 8.6 per cent. The increase in the number of sea arrivals in 1971 as compared to 1970 could be due to the fact that many visitors who would normally come overland in their own vehicles preferred to come by sea due to uncertain conditions in the Indo-Pak situation in 1971. This presumption is also corroborated by the fact that there was a drop in the rate of increase of overland arrivals in 1971.

7.81. With the introduction of cheap fares in airlines and a variety of concessional fares available for group travel, excursions, exclusive tours etc., it is unlikely that sea travel will ever regain its former importance so far as India is concerned. There is, however, some scope for development of inland water cruses and coastal cruisers which might tempt tourists to spend more time in the country. It is important to bear in mind that this form of transport for tourists will be successful only if the vessels are modern and up-to-date in every respect. These should be fully airconditioned with modern conveniences. 7.82. In 1970, the Inland Water Transport Committee had recommended the following four schemes for transport cruises:—

- (a) Deepening and widening of the canal from the Adyar Lake near Kovalam to the Boat Club in Trivandrum. A cruise on this route would be an added attraction for tourists going to Kovalam which is being developed as a large resort by the Tourist Department.
- (b) The back waters beyond the boat club at Trivandrum to Quilon and Alleppey should be widened and deepened wherever necessary. A jetty and steps could be provided at convenient point along these routes to enable passengers to embark or disembark.
- (c) Ferry services may be resumed from Calcutta to Gauhati and other areas in Assam, so that attractive pleasure cruises can be offered to interested tourists.
- (d) The waterways from Srinagar to Wular Lake and Baramulah may be developed so that cruises by motor launches can be offered to tourists visiting Srinagar.

7.83. This subject came up for discussion subsequently at a meeting of the Standing Committee on Transport, of Planning Commission held on 20th May, 1972. The Inland Water Transport Directorate, which has to take up these schemes has been requested to indicate the progress so far. For the present the Department of Tourism have taken the following steps:—

- "(i) As an experimental measure the Department of Tourism has ordered 4 motor launches through the Central Inland Water Transport Corporation, Calcutta for providing cruises on the Nagarjuna Sagar and the Gobind Sagar lake.
- (ii) Motor launches are available for transporting foreign tourists from Bombay to Elephanta Caves. Small vessels are also available at Periyar Lake for the benefit of tourists visiting Periyar Game Sanctuary in Kerala. In response to a request from the Vivekananda Rock Memorial Committee, an enquiry has been made with the Central Inland Water Transport Corporation for fabrication of launches according to the required specifications for tourists visiting the Vivekananda Rock Memorial from-Kanyakumari.

- (iii) By and large, the development of Inland Water Transport for tourists has been sporadic and no coordinated policy has been formulated by Government for this mode of transport. It is felt that the Government of India should declare a national transportation policy envisaging development of all modes of transport, viz., road, rail and inland waterways. Declaration of national transport policy itself will create a new impetus for development of a coordinated transportation system which, in turn will make its contribution for the rapid development of the economy.
- (iv) The national transportation policy should aim at exploiting inherent advantages of all modes of transport and harnessing them in the service of the nation. The object of the policy would be to bring about conditions for the development of all modes of transport in such proportions and combinations as would ensure that the return to the economy from investment in the transport system as a whole is maximised and that the total transport needs of the community are met at each stage at minimum cost to the economy.
- (v) Declaration of certain waterways as "National Waterways" will boost the development of inland water transport in the country.
- (vi) The criteria for considering any waterways to be declared as "National Waterways" should be its importance to the nation as a means of communication and its contribution to the economic development of the area and the country at large. Such waterways should either carry substantial traffic or must hold promise of development of traffic.
- (vii) There is an urgent need to undertake hydrographic surveys of the waterways in order to exploit them fully for commercial navigation. These are essential for designing and planning of inland ports. In the absence of hydrographic survey data, the development projects would not be well conceived and may lead to infructuous expenditure. For example, the proposals for hydrofoil and hover-craft services can be examined realistically only after complete hydrographic data are supplied.
- (viii) In the larger interests of the country as a whole, it is necessary that the waterways should be properly main-

tained and improved to meet the growing transport requirements in the wake of rapid tourism growth and industrialisation. The Central Government should assume full responsibility for maintaining navigability of all important waterways by taking such measures as may be necessary.

- (ix) In the interest of economic operation of inland water transport replacement of old crafts is necessary. It is also necessary to evolve standard designs of full and propelling machinery. While standardising the craft best suited to the Indian conditions, it is necessary to ensure that special features of old construction which are advantageous to local conditions are not lost sight of.
- (x) Facilities for yachting, rowing, canoeing, water skiing, swimming and fishing should be developed on the waterways, which are beautiful gifts of nature. These can be harnessed to promote tourist traffic which is a great foreign exchange earner.
- (xi) India is a paradise for every water sports enthusiast. There are water-spreads for yachting, rowing, canoeing, water skiing, swimming and fishing. The lakes in Srinagar are world famous. A number of house-boats are berthed in these lakes to cater to the need of tourists. The natural lakes and the reservoirs like the Govind Sagar, the Krishnaraja Sagar, the Nagarjuna Sagar and the Hirakund Lake created by the construction of multipurpose dams on our rivers offer tremendous scope for development of acquantic sports, sailing regattas and boat races.
- (xii) Development of inland water transport should not be viewed from considerations of commercial viability alone. The benefits to the economy and the people at large are equally important considerations. Government should adopt a broader approach and ensure execution of the schemes which have been recommended."

The Committee agree with the view that with the introduction of cheap fares in airlines and a variety of concessional fares available for group travel, excursions, exclusive tours etc., sea travel had lost most of its importance so far as India was concerned. There was of course scope for development of inland water cruises and coastal cruises to attract tourists. In this connection the Committee 258 L.S.—12. would commend the urgent implementation of schemes for transport cruises recommended by the Inland Water Transport Committee viz., (i) Deepening and widening of the canal from Adyar lake near Kovalam to the Boat Club in Trivandrum; (ii) Widening and deepening of back waters between the Boat Club at Trivandrum to Quilon and Alleppey, wherever necessary; (iii) Resumption of Ferry Services from Calcutta to Gauhati and other areas in Assam so that attractive pleasure cruises could be offered to interested tourists; (iv) Development of water ways from Srinagar to Wular Lake and Baramulah, so that launches could be offered to the tourists visiting Srinagar. The Committee also commend the efforts of Department of Tourism to provide motor launches at Nagarjuna Sagar and Govind Sagar lake and at Bombay for transporting tourists from Bombay to Elephanta Caves.

CHAPTER VIII

TRAVEL TRADE

(i) Role of Travel Agents

8.1. The Travel agent is an organiser of travel and he is an important link in the promotion of tourism as a means of generating international goodwill, friendship and understanding. He undertakes, as an intermediary, to act for his client in organising either a journey or a sojourn in return for the price for the services. He organises a series of services of hoteliers, transport operators, guides and others which cater to the requirement of a tourist in return for an inclusive preorganised price. The tour operators or wholesalers quote inclusive price for the package comprising of transportation, accommodation, meals etc. and sell these package tours either directly to the public or retail them through travel agents. The travel agent has to ensure air/rail/sea reservation for travel, reserve hotel accommodation, obtain confirmation for onward journey, arrange for transfer from and to airports seaports railway stations, make sight-seeing arrangements, evening entertainment programmes etc. The role of travel agent today has become more complex as tourists also expect their travel agents to attend to all travel formalities such as obtaining passports, passage permits, visas, foreign currencies, travellers' cheques, liquor permits and customs clearance and other similar matters. He also has to supply literature on the places to be visited and give advice to his client on any subject pertaining to tourist travelling comfort. While the travel agent has to satisfy the client for whose travel arrangement he is responsible, he has also to safeguard the interest of his principals like airlines, railways, steamship companies, hotels and others. Since the travel agents do not sell any product and they sell services their aim is to give satisfaction to the client.

8.2. Travel agents are in fact the backbone of the travel industry. They are the sellers, the marketing experts of the product which the nation produces in the shape of its tourist destination. They not only sell a particular city or a particular hotel, but they sell the entire package of services, involving airlines, hotels, restaurants, guides, transporters and handicrafts dealers. They compete among themselves, and thus provide the best facilities, at the most competitive rate to the consumers. It is by the efforts of the travel agents that the tourists dream becomes a living reality. He provides services to the client on his doorstep as well as at his destination. Travel agents as promoters generate a bulk of tourist traffic in the world. All good airlines of the world estimate that 70 per cent to 80 per cent of the business comes from the travel agents. Through advertising and familiarisation study and promotional tours they do the marketing of tourists destination in the country.

(ii) Procedure for recognition of Travel Agents

8.3. The procedure as it exists at present for recognition of Travel Agents is as follows:—

- (i) All applications for recognition shall be addressed to the Directorate-General, Department of Tourism, Ministry of Tourism and Civil Aviation, New Delhi, who is the authority empowered to grant recognition.
- (ii) The object of recognition shall be to promote the development of tourist industry in India.
- (iii) The application for grant of recognition should be in the prescribed form.
- (iv) No firm shall be granted recognition unless it has been engaged actively in handling tourist traffic for a minimum period of one year before the date of application.
- (v) Firms granted recognition shall be entitled to such rights and privileges as may be granted by Government from time to time and shall abide by the several terms and conditions of recognition as prescribed from time to time.
- (vi) Firms granted recognition shall undertake to maintain an office under the charge of a full-time member of their staff, who should be in a position to give up-to-date and accurate information regarding transport and accommodation facilities, currency and customs regulations and general information about travel etc.
- (vii) Firms granted recognition shall undertake to employ only guides approved by the Department of Tourism.
- (viii) The recognition may be extended for the whole of India or be limited to particular region.
 - (ix) All recognised firms shall furnish to the Ministry of Tourism and Civil Aviation, Department of Tourism and Director, Government of India Tourist Office of their

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region, if the Government so desires, yearly statement of their activities and such other information as may be called for by them from time to time in regard to the volume of tourist traffic actually handled and other relevant matters.

- (x) Applications for initial recognition or extension shall be entertained only once a year.
- (xi) The decision of the Government of India in the matter of recognition shall be final. The Government of India may in their discretion refuse to recognise any firm without assigning any reason.
- (xii) The Government of India reserves the right to cancel or withdraw at any time the recognition already granted without assigning any reasons whatsoever therefor.
- (xiii) The recognition to be granted by the Department of Tourism shall not automatically entitle the firm to be appointed agents for the sale of rail tickets by the Ministry of Railways (Railway Board). The agencies thus recognised shall apply separately to the Railway Board. On receipt of the application on the prescribed form, Director-General asks the Director of the Regional Tourist Office to inspect the applicant's office premises and submit his report. The Director-General then takes his decision in the matter of granting recognition to the applicant.

8.4. It has been stated that there are 49 travel agencies with 52 branch offices on the approved list of Department of Tourism. Three travel agencies were recognised during 1971-72. It has been stated that in suitable cases the Department recommends the release of foreign exchange to approved travel agents to enable them to open offices or appoint representatives abroad so that they can supplement the efforts of Department of Tourism. They are also helped to promote specialised tours for Buddhist Pilgrims, lovers of wild life etc.

(iii) Mushroom Growth of Travel Agents

8.5. In a memorandum submitted to the Committee, Travel Agents Association of India have stated:----

"It is very important to control and regulate the activities of mushroom/non-recognised travel agents in this country. These non-recognised agents have done already a great deal of harm not only to the image of the honest Travel Agent, but also have been responsible for misleading/ cheating the travelling public. Legislation could be one of the means to control the activities of undesirable elements in the trade. However, it is a known fact that sometimes legislation perpetrates the evils it seeks to remove and hence, the Travel Agents Association of India have recommended a system of "Joint Recognition of Travel Agents". The basic idea is that various authorities like the Department of Tourism, Railways, Indian Airlines, Passport Authority, the Reserve Bank, etc. might accord recognition to a Travel Agency through a ioint Committee comprising of these interests. This would ensure an all-round qualification of an agency and would encourage only those Agents who are well-established and are in a position to render honest, efficient and complete services to the travelling public."

Recognition of Travel Agents

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8.6. Touching upon the question of recognition of Travel Agents, the representative of the Association stated during evidence:—

- "When we say recognised, we mean recognised by the Department of Tourism. But actually a travel agent requires recognition from various authorities like railways, Airlines both domestic and international, hoteliers and the Department of Tourism. Out of 57 who are our members, 47 have been recognised by the Department of Tourism. Out of 57 who are our members 47 have been recognised as official sales outlets of international carriers, Indian airlines or Indian Railways. We are also authrised to transact business in the Passport Office and the Reserve Bank. These are various facets of work connected with international or domestic travel. But there are certain agents who are not taking a direct interest in the promotion of tourism and they have not sought the recognition of the Department of Tourism. But they are not non-recognised in the sense that they are unauthorised. They are also full-fledged travel agents, but they are not operating in the field of tourism."
- "What the Association recommends is, in order to give professional status to a travel agent and to protect the interests

of the travelling public, to save the travelling public from unrecognised agents, there should be one board constituted by the various governmental agencies, under the department of Tourism, like railways, Indian Airlines, Reserve Bank, Passports, State Tourist Bureau etc. which will grant recognition. If an applicant fulfills the requirements such as capital, trained staff and generation of traffic, he should be granted recognition. He should not be asked to go from one government office to another for getting recognition from various governmental bodies."

8.7. Elucidating the point further, the witness stated: ---

"We as travel agents represent various Principals which we have outlined here-Airlines, Railways, Hoteliers, Passport authority, Reserve Bank etc. Each of these units have their own system and own basic qualifications and requirements for recognising a travel agency. There are specific terms and every agency seeking recognition has to apply to individual authority on their own. If the requirement space-wise, office-wise, accommodation-wise, financial stability-wise are according to the requirements of the authority concerned, then the Travel Agency concerned will get recognition. In the absence of a joint recognising system our Association has no other basis or criteria for admitting members except to insist that it should be recognised by one of these important authorities and we felt that if not recognised by the International Airlines or Indian Airlines or Railways or Steamship companies, one of the important ingredients of travel agency that is to say (unless he is officially recognised agency by the members) he cannot call himself a travel agent. We would very much like that a joint recognition is introduced. I am told that we have travel agents recognised by passport office. They are three or four hundreds at different centres. Department of Tourism have their own basis for recognition; Reserve Bank has also its own hasis "

8.8. Elaborating the concept of Joint Recognition of Traver Agents, further the witness stated that such a scheme was presently operating in Japan. There were two categories of licences, one for full-fledged travel agents and the other for a specific service. This was, what they were advocating in fact *i.e.* the travel agent must operate under a joint recognition.

8.9. The Travel Agents Association of India, in their postevidence replies furnished to the Committee, have furnished the following note giving in brief the regulations for Travel Agency as prevalent in Japan:—

- "Travel Agents handling overseas travel business in Japan are licensed by the Tourist Industry Divisions of the Ministry of Transport. These are usually travel agents who handle both out-bound and in-bound travel as well as domestic travel within Japan. Even if one is an IATA passenger agent, he is not able to engage in his own business any overseas travel in Japan without holding a licence.
- In Japan there is the Japan Association of Travel Agents known as the JATA. There are 149 firms which are registered with the Association and are all licensed agents. Thus in order to carry on business in Japan it depends on whether one is a licensed agent or not and whether he is a member of JATA or not. In recent times we have noted in Japan the appearance of "Underground Agents". It may be said, however, that if the agent is a member of JATA, has business can be expected to be placed on a sound management basis. It must also be pointed out that the 62 firms in Japan which are IATA agents are without exception holders of licences issued by the Japanese Ministry of Transport. Today, there are 248 JATA passenger agents scattered throughout the country.
- There are also sub-agents. The sub-agent is a party which is under a sales contract with a licensed agent, which permits him to handle overseas travel business. Such a sales contract must obtain the approval of the Tourist Bureau of the Ministry of Transport, and in this sense, trust may be placed in the business stability of the subagent. As to the number of sub-agents, as on April 1, 1972 they numbered 400 firms."

8.10. In another note furnished to the Committee, Travel Agents Association of India have summed up their views on the question of Joint Recognition of Travel Agents' as follows:—

"The system at present followed is that each Government Authority like the Reserve Bank, the Passport Office, the Department of Tourism, Government of India, Railways, Indian Airlines, etc. grant their recognition to agents whomsoever they consider competent. The result is that an agent, who is not authorised by the Department of Tourism, Government of India, because he is not considered sufficiently reliable and competent, some times obtains a licence from either the Reserve Bank or the Passport Office and carries on such business. Cases have been known where such agents call themselves. "Recognised by the Government of India." These are the Agents who more often than not bring a bad name to the entire travel trade. To eliminate this deficiency, the Association has been pressing the Department of Tourism, Government of India for "Joint Recognition" for a long time. An extract of the meeting with Dr. Karan Singh, Minister for Tourism and Civil Aviation, Government of India, held on 22nd August, 1969 is reproduced below:

- "On the question of centralising the recognition of agencies in the Ministry, it was explained to the Agents that a move had already been made in this direction but as the Ministry of External Affairs did not favour the proposal, it was proposed to take up the matter at a higher level. In case, this attempt was also not successful, the matter would be taken up at Minister's level since it was obvious and logical that recognition of the Members of the travel trade should be centralised in the Ministry of Tourism and Civil Aviation."
- It is the considered view of the Association that a Joint Recognition Authority be formed under the Chairmanship of the Department of Tourism, Government of India, wherein all the other elements are adequately represented. This body should consider all applications for recognition and once recognition has been granted by such a body, the travel agent concerned should be authorised to carry on business in all Departments of the Government of India.
- 2 Categories of recognitions could be formulated. The first category could be for those agencies, who qualify themselves on a comprehensive service basis and can be called full-fledged travel agents. The second category could be for those units which are competent to under-

take any one or several of the services required by the passenger tourist. Under this category could fall various agencies who could be termed as "Passport Agent, Reserve Bank Agent, etc." However it is very essential to ensure that recognition under this category are given only to those agencies, who qualify themselves to be ethical and who are in a position to maintain high and ethical standards of business."

8.11. Regarding the recognition of Travel Agents the Additional Director-General of Tourism explained the position thus during evidence:—

"The practice of recognising travel agents was in various Government departments. Recently it has been decided by the Government that there shall be a Central Agency which will eliminate multiplicity of procedures and a Committee will hear the recognition of travel agents. There is no doubt that we do not have a single piece of legislation but as you know travel agents come under the application of different laws. As for example, if they book passage abroad or if they handle foreign tourists they come under the discipline of the Reserve Bank and the enforcement of the foreign exchange regulation. That law is being tightened and the new procedure will certainly provide that they will come under verv strict discipline. Our new procedure of having a Central Committee under the Ministry or the Reserve Bank will go a long way in streamlining the procedure."

The Committee would consist of the representatives of Department of Tourism, External Affairs and the Reserve Bank.

8.12. On the concept of 'Joint recognition of Travel Agents' and as to how the situation could be improved in the absence of a legislation, Government in their post-evidence replies furnished to the Committee have stated:—

"It has recently been decided by the Government that recognition to Indian Travel Agencies will henceforth be granted by a Central Coordinating Committee which will eliminate multiplicity of procedures adopted by various Government Departments, each of whom has its own system of granting recognition to travel agencies. It is expected that the new system will simplify procedures and also act as a safeguard to the travelling public which utilises the services of travel agencies. There is no proposal for the present for legislative action to govern the operation of Indian Travel Agencies."

8.13. There is no denving the fact that Travel Agents play a vital role in the growth and development of tourism in a country. The Travel Agent is an organiser of travel and a key link in the promotion of tourism as a means of generating international goodwill. friendship and understanding. By providing package of services to the tourists viz., transportation, accommodation, air/rail/sea reservations, hotel accommodation reservation, making sight seeing arrangement etc., a Travel Agent has come to be recognised as an important arm for the promotion and development of tourism. Keeping in view the role expected of the Travel Agents as the creator and developer of new tours and new ideas coinciding with personal service, it is important that Travel Agents are afforded the necessary facilities and incentives more liberally viz., adequate release of foreign exchange for opening offices abroad to supplement the efforts of Department of Tourism; encouraging them to organise package tours for various interests i.e., wild life tours etc. so that the foreign tourists receive the much needed personalised service.

8.14. The Committee feel concerned about the mushroom growth of travel agents and consider it necessary to control and regulate the activities of non-recognised travel agents in the country. The Committee consider the constitution of Central Coordinating Committee to grant recognition to Indian Travel Agents, as a welcome step. The Committee hope that with the constitution of the Central Coordinating Committee, multiplicity of procedures which were hitherto being adopted by various Government Departments viz., Airlines, Railways, Passport Authority, Reserve Bank, Department of Tourism etc., would be eliminated and the entire power of recognition would now vest with the Central Coordinating Committee. They hope that this body would consider all applications for recognition and once recognition has been granted by such a body, the travel Agents concerned would be authorised to carry on business with all Departments, Organisations/Undertakings of the Government of India. They also hope that the new system will safeguard the travelling public which utilises the services of travelling agents, from the undesirable activities of non-recognised Travel Agents. The Committee would also suggest that in order to make Central Coordinating Committee more representative and broad-based the nominees of the Reserve Bank, Airlines, Railways etc. may also be associated with that Committee.

8.15. The Committee would also commend the Japanese method of recognition where no Travel Agent is allowed to handle travel business in Japan without holding a licence issued by the Tourist Industry Division of the Ministry of Transport in Japan.

CHAPTER IX

ENTERTAINMENT AND SHOPPING

(i) Entertainment

9.1. There is no denying the fact that as colourful and varied the programme may be for the foreign tourists, during the day, after dinner he or she is rather helplessly left on his own especially at places which are not near the big cities. It is, therefore, quite natural for the tourist to look for some sort of entertainment, though of course the forms of entertainment may vary according to personal taste, capacity to spend and other similar factors. In India, at present only leading large cities have night clubs, bars or discotheques and these establishments are generally found in combination with big hotels.

9.2. In a Memorandum submitted to the Committee, the Travel Agents Association of India have stated:

"Except for large cities, the evening entertainment for tourists is almost non-existent. Even in tourist centres like Agra, Banaras and Jaipur, there is nothing that the tourists can do in the evenings. The ITDC should play an important role in this respect and create entertainment facilities in collaboration with the Tourist Industry."

9.3. Similarly the Federation of Hotel and Restaurant Associations of India have in their Memorandum stated:

"Arrangements for providing entertainment to tourists are considered inadequate. It is suggested that cultural performers, both modern and ancient, from neighbouring countries like Phillipines, Malaysia, Indonesia and Ceylon should be exchanged freely with a similar performers from our country. This should provide a very welcome addition to the evening entertainment being provided at present for the tourists visiting our country."

9.4. During evidence of the non-official witnesses, the Committee pointed out that some of the hotels had performances of Indian classical dances and folk dances and Indian instrumental music whereas in some other hotels in big cities such as Delhi, Bombay and Calcutta a cheap imitation of Western Style cabaret had become a way of life. The Committee enquired about foreign tourists reactions to the above. 9.5. The representatives of the Travel Agents Association of India, in their evidence before the Committee stated:

"I will give you an interesting example of tourist preferences in this regard. Recently somebody has started a 'Bombay by night tour' which starts round about 8.30 P.M. and ends at 12.30. The organisers decided to drop the cheap cabaret of the western type in the conducted programme; it was confined mostly to cultural programmes. It is very popular. The tourists do not like the cheap type of entertainment, the floor show of the western style. The westerners do not like the very cheap imitation of the western style of dancing." He stated "We can have good cultural programmes from various parts of the country. There can be excellent dancing, even sex appeal without having lesser clothes or becoming cheap or vulgar. We can definitely present such dances. This tour has been successfully doing it. In fact, many more travel agents are also thinking of organising such tours. So, it is quite certain that as for as evening entertainment is concerned, we do not have to compromise on our principles and ideals."

9.6. The representatives of the Federation of Hotel and Restaurant Associations of India, in their evidence before the Committee stated:

"Our performances of Indian dances are appreciated by the foreign tourists. But it is difficult to get good Indian artistes. the reason I imagine is their disinclination to work in a hotel or restaurant. Ashoka Hotel had taken the lead in this matter with having such performances once a week or fortnight in their large Convention Hall. They are extremely popular with foreign tourists. But if this kind of performance has to be shown to foreign tourists of modest means, it will have to be subsidised. I do not know by whom, so that we can give this type of entertainment to the foreigners which, I am sure, they will certainly like. Indian music is also well appreciated. It is getting popular every day. I hear the hotels are taking steps to provide them. One hotel in Madurai is providing this kind of thing. Some hotels have folk dances which are also appreciated by foreigners. I would also suggest that cultural exchanges should take place between various countries so that our artists will go to other countries and we will allow people from other countries to come and have their performances here. This would increase the popularity of our music and would give good entertainment to the foreigners. We certainly do not like the cheap western type of cabaret.

We in our Federation are trying to take steps not to ape foreign dances or nude shows. We are just getting a breakthrough at the moment."

9.7. The Department of Tourism while giving their views on the suggestion mooted by the Hoteliers Federation have stated:

- "(i) Performing artists from neighbouring and other foreign countries are invited by the Ministry of Education under their cultural exchange programmes. These troupes and ensembles are very much appreciated by Indian audiences all over India. However, foreign visitors are interested in classical, folk music and dancing of India, of which we have a rich cultural heritage.
- (ii) The Department of Tourism has drawn up a scheme for organising theatre evenings in Delhi to begin with. It is proposed to have performances once a week. Based on the experience, the frequencies of the performances would be extended to more than once a week in Delhi and similar programmes can then be organised at other suitable places of tourist interest in India.
- (iii) The I.T.D.C. has also drawn up a scheme for organisation of theatre evenings in Delhi. It is proposed to have performances twice a week. Since the nature of this activity is considered to be promotional in character and involves deficits in operation, the I.T.D.C. has suggested that this activity may be entrusted to it on behalf of the Department of Tourism on payment of managerial remuneration. The proposals are under the consideration of the Department."

9.8. In a Memorandum submitted to the Committee, the Haryana Government has stated that in order that entertainment facilities are provided to the tourists there should be well organised cultural troupes which should tour various tourist spots in the country on a fixed programme to give cultural shows/programmes to the tourists. Besides some documentary films showing our cultural heritage and way of life, some important topics should also be shown at such places. It has further been stated that the Central Department of Tourism should have a separate 'Entertainment Cell' and also give cent per cent Central assistance to the States to organise such cells at the State level. Giving their reactions to the above suggestions, the Ministry of Tourism and Civil Aviation, in their post-evidence replies furnished to the Committee have stated as follows:—

"Presently, the Department of Tourism and the I.T.D.C. have no organisation set up to handle activity of this magnitude. The suggestion will be considered at an opportune time. In the meanwhile the Department of Tourism and the ITDC have drawn up schemes for organisation of theatre evenings in Delhi. Also for subsidising some of the deserving private cultural organisations in some of the major cities of India, the Department is in the process of finalization of a procedure which would help them in getting limited financial assistance from the Department as an incentive. The scheme would also cover the various State Governments in their efforts to promote fairs and festivals."

9.9. In reply to a question as to what type of evening entertainment was popular with the foreign tourists, Government have informed the Committee that from the experience of Ashoka Hotel, New Delhi it was observed that while foreign tourists prefer to witness entertainment programmes of Indian dances and music, highly classical Indian music and dances were not appreciated by them. There had been suggestions for introduction of pop music. There was also a fascination for instrumental music like Sitar, Sarod and percussion instruments like Tabla and Mirdangam etc., classical and folk dances amongst the foreign visitors.

9.10. In the case of 4 and 5 star Hotels, Night Club was necessary from the point of view of foreign guests. Night clubs at Ashoka Hotel, New Delhi and Hotel Ashoka, Bangalore were quite popular. At the Supper Club in the Ashoka Hotel, New Delhi, besides 5 piece dance band and crooner (western) spot number of Indian dances such as Bhavi, Santhal, Naga, Ghoomar, Hikki, Dandia, Ras, etc., western floor shows such as Hungarian, Gypsy, Escapada, Voodoo, etc., were being presented. Cultural evening like dance/music recitals by eminent artists were arranged in Hotel Ashoka, Bangalore, on special occasions like Diwali, Annual Day, Dussehera, etc.

9.11. The Jha Committee (1963) in its report on 'Tourism' had commented thus on the entertainment aspect:—

(i) "Most tourists look for various forms of entertainment when they visit any country. The tourist is on a holiday and wishes to amuse himself, and even those visitors who come on business or to attend a conference want light entertainment, particularly in the evenings. Tourists visiting other countries are accustomed to the idea of night clubs or the more sophisticated entertainment provided by the theatres, opera and ballet. This is not only in the western world, but also in places like Tokyo, Manila, Hongkong and Bangkok which have scores of night clubs, even if they do not all have first-rate theatres or dance shows.

- (ii) The tourist in India can look at monuments, temples, bazars and beautiful scenery during the day, but the lobbies of hotels in India are full of bored tourists in the evenings. Of course, night clubs run counter to our tradition and we are not advocating any attempt to set them up. But there is also a paucity of good cultural entertainment, particularly entertainment in the light idiom. We have, no doubt, a rich tradition of classical dances, but very few good artistes would agree to dance in a hotel; nor would such dances quite fit in with the atmosphere of a hotel dining 100m.
- (iii) The solution to this problem does not lie in importing foreign cabaret artistes of doubtful aristic merit and even more doubtful taste, but in developing entertainment in the Indian tradition. After all, tourists remember Tokyo not for its night clubs, but for the vastrange of indigenous entertainment it offers from the highly stylised Kabuki drama to the pretty dances offered so spontaneously in Japanese-style restaurants and clubs. A clever impressrio should find it possible to put across the rich variety of folk lore and dances available in India in a most entertaining fashion and perhaps one day, someone would bring monkeys and bears to hotel as a cleverly improvised afterdinner show.
- (vi) Hotel managements are not qualified to develop new forms of entertainment. It will have to be done by people capable of scouting talent and organising shows at various levels in existing theatre halls and auditoriums as well as in hotels. We would urge that the authorities dealing with cultural affairs should take an interest in this matter so that private cultural organisations are persuaded to plan their shows and festivals with an eye on the tourist traffic and in close collaboration with the Tourist Department to ensure advances and adequate publicity. We are convinced that such efforts will be worth making and in the course of a few years, reasonable success can be achieved.
 - (v) There are possibilities of performances being staged in some of the historic sites which are visited by many tourists. A colourful dance drama in the Red Fort would have tremendous appeal to the tourists. In some countries, special programmes involving an inter-play of light and sound have now been evolved round their historic sites.

We feel there are possibilities of a similar development in this country, particularly in a place like Delhi.

- (vi) A number of cultural programmes are organised in the country. If they were publicised in the same manner as the Republic Day Parade and the dance festival which is held in that week or the Dussehra festivities in Mysore, they would attract more tourists and make them feel much more satisfied with the stay.
- (vii) We should not think of entertainment only in terms of performances which people can watch preferably after dark. These are many types of activities in which the tourist need not be a spectator but can be a participant. Excellent facilities for sports, such as golf and tennis exists in the major cities of India. These are usually in clubs which by their very nature, confine their facilities to members and do not open their doors to strangers. It should, in our opinion, be possible to come to arrangements regarding temporary membership of clubs for tourists in order not only to let them participate in the sports, but also to meet more people.
- (viii) The development of sports and athletic meets is an important part of tourist promotion activities in many countries. A good stadium is now available in a number of cities in India and by organising sports of different types periodically, we cannot only encourage the inflow of tourists, but also help the development of sports in this country. For certain sports, such as polo, we are already well-known. India also has tremendous possibilities for developing winter sports in the Himalayas and these too have a tourist potential, quite apart from their intrinsic value."

9.12. The Estimates Committee (1968-69) in their 90th Report on the Ministry of Tourism and Civil Aviation had observed thus in the matter of providing entertainment to the tourists:

"The Committee are distressed to note that no serious attention has so for been paid by the Government to evolve suitable and adequate forms of tourist entertainment even though this matter was examined by the Jha Committee as back as 1963 which made valuable suggestions in this regard. They are surprised that in a vital matter of this kind the initiative appears to have been left entirely to the nonofficial agencies with the result that nothing much has been done in this matter since 1963.

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- The Committee realise that the bulk of the foreign tourists visiting this country is from U.S.A., Europe and Australia, most of whom are from affluent sectors of society with plenty of money and leisure at their disposal and accustomed to some 'live' form of entertainment like cabarets/floor shows etc. The Committee feel that the foreign tourists do not look forward to see cabaret etc. form of entertainment in this country which at best can be a poor imitation of what they are accustomed to see in their own country. What they are really interested to see is a form of entertainment depicting the culture and tradition of our country and the manner in which our people entertain themselves. The Committee, therefore, feel that to go in for night clubs and cabaret etc. and importing foreign artistes. therefore, even for a limited period would be a waste of effort and resources and is not in keeping with our culture.
- In the opinion of the Committee there is vast scope for developing tourist entertainment according to the genius and fabric of our own culture and tradition. It is well known that we have a rich tradition of music and dancing-not merely classic. The Committee, therefore, recommend that Government should make an intensive study of various forms and formulate in consultation and cooperation with State Governments and other official as well as non-official agencies, a comprehensive scheme for the development and promotion of Indian dance and music and other recreational programmes including sports and athletic activities. so as to provide a unique and interesting entertainment to the foreign tourists at various places of tourist interest. They have no doubt that adequate guidance and necessary assistance will be made available by the Government to the concerned agencies for this purpose.
- The Committee further suggest that the State Governments may also be persuaded to explore the possibilities of developing outdoor sports and recreational facilities in each region having potentiality of attracting tourists."

9.13. Government in their action taken replies stated the position thus vide 113th Report of the Estimates Committee (Fourth Lok Sabha):---

"The views of the Committee have been noted and the subject is receiving active consideration. However, action to create and supply adequate forms of entertainment to hotels, restaurants and other places frequented by tourists is a project which, if undertaken by the Government, will require a full-fledged Entertainment Cell in the Department of Tourism with professionally qualified personnel at all levels. The main deterrent to the implementation of this suggestion has been the inadequate staffing pattern in the Department."

- ".....The position is that in order to make the presentation of Indian entertainment in hotels and restaurants, a commercially viable proposition, the establishment has also to take into account the preference of domestic tourists who form a large part of the audience. The domestic tourists and local citizens are able to see that best forms of classical Indian entertainment at theatres and concert halls and therefore, tend to prefer something different in the form of entertainment in the Western style. The foreign tourists, however, very often do not have the time or the appreciation required to sit through classical performances of Indian entertainment and therefore prefer to see that folk or light type of Indian entertainment capsuled for presentation as a cabaret. The requirement is to evolve an attractive form of entertainment which will be appreciated both by domestic and foreign tourists and it is in this area that efforts are being made to urge the establishments themselves choreograph and present such entertainment."
- "While the Government is aware of the need for developing tourist entertainment drawn from heritage and tradition of the country, the difficulty has been that in order that the Department of Tourism itself undertake the provision of such a programme, professionally qualified staff for this purpose will be required at all levels, with a similar complement of staff in the State Governments Tourist Departments, for effective coordination. However, the views of the Committee have been noted and every effort will be made to provide Government assistance in this direction subject to funds being available."
- "The State Governments have been urged to explore the possibilities of developing outdoor sports in their region, by means of a resolution passed by the Tourist Development Council at its meeting held in 1968. The All India Council of Sports and the State Governments Sports Councils are concerned with such development. The Department of

Tourism is also working on developing sports such as yatching, deep sea fishing and scuba diving and a project for Winter Sports at Gulmarg is being implemented."

9.14. The question of entertainment for foreign tourists, was also dealt with by the United Nations Development Programme Team in its Report on Tourism. The Committee in their Report (1970) interalia made the following observations:

- "When visiting India, the tourists expect to become acquainted with Indian culture and folklore. Therefore, Indian dance and music shows should be specially promoted. The Indian restaurants and leading international hotels show already some promise in this respect. It could be easily realised in regional speciality restaurants where the tourist may enjoy the food of certain areas together with local dance and music.
- Folkloristic ballets with their wonderful colours, variety and historical interpretation are certainly also a great tourist attraction. As they are just as popular with the native population, this part of cultural entertainment should have thorough attention in cooperation with competent dance and music institute. An example in the ballet show performing the history of King Rama in Jaipur and the puppet show in the Lake Palace in Udaipur. This kind of performance would be of greatest interest to tourists.
- There are still many unexhausted possibilities of making foreign tourists familiar with Indian art and folklore in the evening. However, western music and dance, mainly desired by holiday tourists, should also be given attention. In our opinion, the larger hotels in centres of tourism should consider a night club or at least a discotheque or a restaurant with dinner dancing. The operation of night clubs or discotheques depends on the same conditions as the operation of a restaurant; they need sufficient local clientele and quite a number of tourists who stay longer than one day. The development of such entertainment centres will play an important part in the development of future holiday (beach or hill) resorts."

9.15. Delivering the inaugural address at the 21st Annual Convention of Travel Agents Association of India at Srinagar on the 23rd April, 1972, the Minister of Tourism and Civil Aviation expressed the following views so far as the provision of entertainment to foreign tourists was concerned:—

"There are various other segments of our infrastructure in which a good deal remains to be done. Entertainment is one of them. One of the major complaints that we have with regard to tourism in India is lack of entertainment facilities. We have increased these somewhat, but I still feel that with more ingenuity and intelligent utilisation of the very rich heritage of song, music, dance and culture that we have in this country, we should be able to present entertainment facilities to foreign tourists in a much more effective and impressive manner than has been possible so far."

9.16. The Committee are perturbed to note that no serious attempt has been made to formulate a comprehensive scheme for the development and promotion of entertainment and recreational programmes to cater particularly to the taste of foreign tourists even after two decades of tourism planning. The Committee are surprised that in spite of the roccomendations of the Estimates Committee (1968-69) in their 90th Report on the Ministry of Tourism and Civil Aviation and valuable suggestions made in the various Reports-JHA Committee Report (1963), Report on Cultural Tourism in India (1969).

U.N.D.P. Team Report (1970)—the initiative has been left entirely to the non-official agencies, with the result that nothing much has been done in this matter since 1963. The U.N.D.P. Team in its Report (1970) had correctly summed up what is required in the field of entertainment needed for the foreign tourists. The Committee, would, therefore, stress that efforts should be made to implement the recommendations on "Entertainment" contained in the various Reports mentioned above in letter and spirit urgently.

9.17. The Committee feel with more ingenuity and intelligent utilisation of the rich heritage of song, music, dance and culture that we have in the country, it should not be difficult to present entertainment facilities in a much more effective mauner than has been possible hitherto.

9.18. The Committee welcome the initiative taken by the Travel Corporation of India and Hotel Association of India in introducing a programme "Bombay By Night". The Committee would stress that efforts in this direction should be made in all large cities, which attract a large number of foreign tourists. In view of the importance of tourism, the Committee would stress that India Tourism Development Corporation should assume a more active and positive role in the matter of providing entertainment facilities for tourists. In this connection the Committee would like to emphasise that the Department of Tourism/ITDC should make an intensive study of the whole aspect of entertainment and its various forms and formulate in consultation and cooperation with Hotel Industry, Travel Agents Association, Federation of Hotel and Restaurant Association, and the publicity media. State Governments etc., a comprehensive and well soordinated 'Entertainment Programmes' for both domestic and foreign tourists, and evolve guidelines to indicate the direction in which the work should be done. The Committee would also suggest that these 'Entertainment Programmes' should be critically reviewed after a stated interval with a view to effecting improvement in these programmes.

9.19. Entertainment is an area calling for special attention, in particular in all tourist centres where there is n_0 entertainment available in the evenings. The Committee would, therefore, emphasise the need for providing entertainment facilities in important tourists and the important beach resorts by identifying and making local talents available at these places in the first instance.

(ii) Son-et-Lumiere Shows

9.20. India Tourism Development Corporation, a Public Sector Undertaking under the aegis of the Ministry of Tourism and Civil Aviation (Department of Tourism) have introduced a new programme of providing light entertainment to the foreign as well as home tourists called the Son-et-Lumiere spectacle. These shows have presently been mounted at Red Fort, Delhi, Sabarmati Ashram, Ahmedabad and Shalimar Gardens, Srinagar. The cost involved in respect of each of these projects have been as follows:—

(i) Red Fort, Delhi · ·	•	ITDC purchased the assets from th Department of Tourism at a cost Rs. 6.50 lakhs. The show has now be revised at a further cost of Rs. 4. lakhs.	a cost of has now been
(ii) Sabarmati Ashram, Ahmedabad	•	Rs. 19 lakhs.	
(iii) Shalimar Gardens, Srinagar	•	Rs. 27 lakhs.	

Year		Red Fort, Delhi	Sabarmati Ashram, Ahmedabad	Shalimar Ga Srinagar	rdens, Remarks.
1967-68	•	2.00			
1968-69	•	2.92			
1969-70	•	3.02			
1970-71	•	3.01	•• •	,	
1971-	•	2.91	••	••	
1972-73	•	I·75	* 0·25	** 0·13	*Inaugurated in April, 1972.
					**Inaugurated in September, 1972.

9.21. Collections from these shows are given below:

(Rs. in lakhs)

9.22. In reply to a point whether a review of each of these projects to assess their economic viability, had been taken, the Committee have been informed that in view of the heavy initial investment necessary for the Son-et-Lumiere projects, such projects were not likely to be economically viable in the commercial sense *i.e.* after provision of all expenses including depreciation and interest.

9.23. It has been represented to the Committee that Son-et-Lumiere spectacle should be mounted at Konark, Jinjore and Kurukshetra on the pattern of the shows being staged at Red Fort, Sabarmati Ashram and Shalimar Gardens, Srinagar. When asked as to what were the places where the sound and light spectacles were proposed to be established, the Ministry of Tourism & Civil Aviation in their post evidence replies furnished to the Committee have stated:

- "In the Fourth Plan period, sound and light spectacle at Mahabalipuram has been included. The estimated cost and other details are being worked out by ITDC in consultation with CPWD and Messrs. Philips India Limited. A tentative estimate submitted by ITDC in consultation with Messrs Philips India is to the tune of Rs. 27.45 lakhs. CPWD's tentative estimates are likely to be of the order of Rs. 23 lakhs.
- In the Fifth Plan period, mounting of Sound and Light spectacle at Calcutta has been decided. Two other projects have also been included. However, location of the spectacle at

two other places have yet to be firmed up by the Department of Tourism."

9.24. It has been stated that the question of considering economic feasibility reports would be taken up as soon as the locations had been decided.

9.25. While the necessity to promote sound and light programmes cannot be denied, the Committee would stress that the venues selected for the mounting of Sound and Light Spectacle should be such where the audience is likely to be sufficient to pay the running cost. In view of the expense and the foreign exchange involved in the installation of the Son-et-Lumiere the Committee would like to stress that this facility should be provided with the utmost discrimination and would urge that before any sound and light project is launched, a feasibility study should invariably be undertaken by Government to assess its economic viability.

9.26. They would also suggest that periodic evaluation of sound and light programmes should be undertaken to assess their usefulness and economic viability and to find ways and means to make them more popular and remunerative.

B. Shopping

9.27. Whatever may be the main motivation behind the tourists visit, whether it is a pleasure trip for pilgrimage, business or for studies or some more serious objective, it is normal for him to spend a little time and money on shopping. He may buy something which he fancies for himself or for his family and friends at home. The money which he spends is foreign exchange for the country where he spends it. In case of India the foreign exchange earned from, tourism during the years 1971 was of the order of Rs. 40.3 crores, and it is generally stated that 1/5th of the tourist spendings have been on shopping. Tourist spendings can, therefore, considerably help the promotion and development of handicrafts besides yielding foreign exchange.

9.28. Many more countries have tried to build up special shopping facilities for the tourists to enable him to shop in leisure and confidence. In India too a number of shopping centres of this kind have developed, particularly in respect of cottage industries and handloom products.

Financial Assistance

As a part of the programme of providing shopping facilities to foreign tourists, the India Tourism Development Corporation, a Public Sector Undertaking have set up Duty Free Shops at each of the International Airports, Palam (Delhi), Dum-Dum (Calcutta), Santacruz (Bombay) and Meenambakkam (Madras). Some of the articles sold against foreign exchange at the Duty Free shops are liquors, cigarettes, perfumes, H.M.T. watches etc. In addition to the above goods, Indian handicrafts are also sold at these shops.

9.29. It has been stated that according to the projections of tourist traffic made by the Department of Tourism about 8 lakh tourists per annum are expected by the end of the Fifth Five Year Plan. Based on existing costs of services and assuming an average period of stay per tourist at the present level, this projection would mean that about Rs. 100 crores of foreign exchange would be earned from tourists in 1978. If shopping accounts for 28 per cent of the total expenditure, the turnover of business in retail goods may well amount to Rs. 30 crores per annum or a total of Rs. 150 crores for the Fifth Plan period if the normal price rises are also taken into account. This would have its own multiplier effect on the economy. This order of business would represent an impressive performance in terms of export.

9.30. According to the survey carried out by the Indian Institute of Public Opinion shopping accounts for Rs. 388 per tourist or 28.2 per cent of his total expenditure. The break down of major elements in shopping expenditure suggests 48 per cent of silk and handlooms, 25 per cent on handicrafts, 13 per cent on curios and 8 per cent on jewellery. The break down shows the general preference for purchase of labour intensive goods largely manufactured in cottage industries.

9.31. It has been stated that the Department of Tourism started its Tourist Shopping Scheme about 16 years ago Under this Scheme, applications are invited from shops selling souvenir, handicraftsjewellery and various other goods and these shops are inspected by a specially appointed local Committee. The Committee examined the suitability of the shop to deal with tourists, its site, display and stock of goods, whether the service of the English or other foreign language speaking salesmen are provided and whether the goods are properly tagged with price marks. 9.32. The Shopping Scheme has been extended to the following tourist centres:

Bombay	Bangalore
Delhi	Cochin
Calcutta	Jaipur
Madras	Mysore and
Agra	Varanasi

9.33. The terms of grant of approval of shops are as follows:

- (a) Prices of merchandise should be fair and displayed in attached labels.
- (b) High business standards should be obtained and unfair practices to canvass business etc. should be avoided.
- (c) In case of any dispute, the decision of the Director-General (Tourism) is final.
- (d) The Director-General (Tourism) has right to delete any shop from the list without assigning any reasons.

9.34. The following facilities are given to approved shops by the **Department of Tourism:**—

- (a) Applications for money-changers licences are recommended.
- (b) Assistance is given in obtaining export permits from the Department of Archaeology after checking antiquity of articles.
- (c) The names of approved shops are published in pamphlets distributed by the Department of Tourism.

9.35. It has been stated that of all the complaints received in the Department of Tourism, the maximum number of complaints relate to shops. These complaints are taken up with the shops concerned and efforts are made to secure redressal. However, for want of legislative powers, no punitive action can be taken against the shops by the Department of Tourism. Only moral pressure can be used together with the threat of removal from the list of approved shops. It has generally been found effective in the majority of cases when complaints are received. It is felt that in the absence of any lgislation, organisations, such as the Reserve Bank of India, Handicrafts

Board, Export Corporation etc. should consider executive measures to check mal-practices by withdrawing any special facility granted or licences granted by them to the shops.

9.36. It has been stated that Souvenirs bought by tourists are something characteristic of the country which continue to publicise India in their new location. For increasing tourist expenditure on souvenirs, it is recommended that:—

- (i) The Indian Handicrafts Organisation should maintain closer contact with the Department of Tourism which should be associated in the advisory and policy formulating bodies for marketing, designs, quality control etc.
- (ii) Designs of handicrafts should be improved in line with changing fashions and attention should be paid to packaging to make the product more seleable as gift material.
- (iii) Facilities for making purchases should be available where tourists are likely to make maximum use of them.
- (iv) In all tour itineraries, opportunities should be provided for making purchases.
- (v) Opportunities should be provided to enable a visitor to observe the skill and workmanship that it takes to create a product at every handicrafts emporia as there is no better way to arouse a desire to make purchases.
- (vi) Attractive picture post cards of the standards available in Japan and Europe should be on sale at all handicrafts emporia and other places frequented by tourists. If facilities for printing these picture post cards of the required standard are not available in India, they should be printed in Japan where printing costs are relatively low. The foreign exchange on such printing would be more than offset by the earnings from sale of picture post cards as well as postage stamps to foreign tourists, not to speak of the publicity value gained by sending them out throughout the world.
- r(vii) The various handicrafts and export organisations, Reserve Bank of India etc. should consider executive measures to check malpractices reported against shops.

(viii) Money changers' licences should be granted to State controlled handicrafts emporia without any stipulation of minimum volume of transactions. The absence of such licences does not in any way prevent leakage of foreign exchange but rather encourages leakage since there is no dearth of touts available who offer to change the tourists' currency in case the emporia are not able to do so.

9.37. In a Memorandum submitted to the Committee, the Travel Agents Association of India have stated:

- "India is a shoppers' paradise. But unfortunately a good number of tourists are either misled or cheated or enter into black market transactions and thus India not only loses foreign exchange earnings but also gains a bad reputation. A good number of shops also employ touts to introduce foreign tourists to their shops who are either charged exorbitant rates or are cheated and the shop keepers indulge in illegal foreign currency transactions.
- A large number of complaints are received from the tourists for lack of proper packing and shipping arrangements for their purchases made in this country. There are also complaints regarding different supplies being made by the shop keepers. The State Governments should exercise greater control over such matters.
- Shopping facilities at tourist monuments and other tourist centres are almost non-existent. Souvenir shops selling post cards, curios and souvenirs should be created at such centres as this would enable the tourists to buy on the spot such interesting items and at the same time create additional employment opportunities in this area.

9.38. Dealing with the question of providing shopping facilities to the tourists, the India Tourism Development Corporation, in a Memorandum submitted to the Committee have stated:---

"The ITDC provides duty-free shopping facilities and the Corporation is working toward the development of special tourist shops which will meet the requirements of overseas visitors travelling within the country while simultaneously increasing foreign exchange earnings considerably. Tourists are also in need of simpler procedures for encashment of foreign exchange, shipment of purchases through customs, protection against unscrupulous traders etc. The Department of Tourism has brought these matters to the attention of the proper authorities."

9.39. In a note entitled 'The Role of ITDC in the promotion of tourism' it has been stated that tourist generally spends 1/5th of his expenditure while on tour on shopping. It was, therefore, essential that adequate shopping facilities are provided to the tourists. Attempts should be made to popularise Indian handicrafts so that more money in terms of foreign exchange could be earned. In lieu of a duty free shop, the Corporation should have some sort of airport bazar having about 8 to 10 stalls. The Corporation should have complete monopoly of arranging the management of these stalls to the exclusion of privately owned shops where exclusively selected Indian handicrafts could be sold in large numbers in addition to imported duty free articles. This was because among the things which a tourist would like to go in for were souvenirs which rightly establish a link with the places visited. From that angle handicrafts were likely to be more in demand than the imported articles, which can interest intransit foreigner. A large number of tourists might like to go in the airport bazar where they could witness the manufacturing of some handicrafts which they want to carry with them. Thev might also like to visit a stall where they could purchase costly Banaras silk sarees and brocades provided somebody was there to demonstrate to them how to wear a sari.

9.40. The Committee note that the tourist generally spends 1/5th of his expenditure while on tour on shopping. It was, therefore, essential that adequate shopping facilities are provided to the tourists. While the Committee consider the establishment of cottage industries, handicrafts, handloom products emporia in different State Capitals and the duty free shops set up by the ITDC as a welcome step, they feel that more involvement of a few standard shops like or prestigious ones of the Government emporia like that Industries Emporium would the Central Cottage case shopping problems of tourists. In the Committee's view there has to be a deeper involvement of different agencies in the field viz., Indian Handicraft Organisations, Design Centres etc., if tourists shopping needs are to be really met. They would, therefore, recommend that (i) Indian Handicraft Organisations should maintain closer contact with the Department of Tourism; (ii) Designs of Handicrafts should be improved in line with the changing fashions; (iii) Attention should be paid to packaging to make the products more saleable as gift material; (iv) facilities for making purchases should be available where tourists are likely to make maximum use of them; (v) opportunities should be provided to enable tourists to observe the skill and workmanship that it takes to create a product at handicrafts emporia etc.; (vi) Attractive picture post cards of Indian arts of the standard available in advanced countries should be on sale at places frequented by tourists; (vii) various handicrafts and export organisations, Reserve Bank of India etc. should consider executive measures to check malpractices reported against shops; (viii) Money changers' licences should be granted to State controlled handicrafts emporia; (ix) steps should be taken to eliminate the menace of touts hovering near various shops; (x) Arrangements be made for proper packing and shipping of purchases made by tourists in the country.

9.41. The Committee further note that India offers an extensive variety of souvenirs and handicrafts both expensive and inexpensive produced throughout the country by skilled and dedicated craftsmen and artists. The unending variety of handicrafts and art objects include shawls, brocades, jewellery, ivory carvings, brass and copper articles, stone sculptures etc. The Committee would, therefore recommend that besides broad basing the shopping list, attempts should be made to popularise Indian handicrafts and souvenirs which could not only be a source of foreign exchange but also a lasting publicity medium for India.

CHAPTER X

PUBLICITY

I. (i) Tourist Promotion activities undertaken overseas

10.1. India's potential for tourism is virtually unlimited and it is India's task today to convert this potential into actual terms by a two-pronged strategy of strengthening the infra-structure at home and improving our 'tourist image' abroad. Our success in attracting foreign tourists depends largely upon the image we are able to project in potential tourist markets of the world. It has been stated that the promotional efforts made by the Department of Tourism so far have paid dividends as reflected in the 30 per cent record increase registered in tourist arrivals in 1969. Another 15 per cent increase was registered in 1970. A further increase 7.2 per cent was registered in the tourist arrivals in 1971. The Department was quite confident of achieving a target of 4 lakh tourists in 1973.

10.2. Tourist promotion overseas was channelised through field offices located in New York, San Francisco, Chicago, London, Geneva, Paris, Frankfurt, Brussels, stockholm, Milan, Tokyo, Sydney, Toronto, Mexico and Singapore.

10.3. A provision of Rs. 15.20 lakhs had been made in the current financial year for overseas advertising and allied publicity for the Government of India Tourist offices located in Tokyo, Sydney, Singapore and South East Asia. Separate allocations had been made for Operation Europe, Operation U.K. and Operation America where the Department of Tourism was working in collaboration with Air India. The ratio of expenditure between the Department of Tourism and Air India was that of 80:20. The Department's share for the current financial year was as follows:—

Operation Europe	•	Rs.	30,00,000
Operation U.K.	•	Rs.	9,00,000
Operation America	•	Rs.	40,17,000

It has been stated that one of the significant developments in the filed of promotional work abroad during the last three years had been a marked change in emphasis towards a more dynamic market oriented strategy. It was claimed that this had paid rich dividends and the Department proposed to carry his policy furher and make their efforts fully sales-oriented. Efforts were now increasingly diverted towards tapping the market through travel agents, tour operators and airlines.

10.4 With the success of 'Operation Europe' launched in 1968 for joint promotion of tourism by Air India and the tourist offices, the scheme was extended to the United Kingdom from the 1st April, 1970. This scheme was extended to America with effect from 1st July, 1971 and it covered tourist offices at New York, Chicago, San Francisco, Mexico and Toronto. It has been stated that the interlinking of the experience of Air India and the Tourism Organisation resulted in far more effective promotional efforts abroad. This had provided a sustained and diversified effort in broadening India's promotional activities abroad. The market operations of the overseas offices were supported by extensive advertising campaigns in newspapers, magazines and travel trade publications.

10.5. The Publicity wing at Headquarters of the Department of Tourism is also concerned with (a) furnishing the basic material to project an image of India as a historical and cultural tourist attraction; and (b) issuing of policy directives and giving general guidelines for the approach to various aspects covered in the advertising and allied publicity.

10.6. One of the pre-requisites for a successful marketing operation abroad was the support extended from Headquarters. A sustained and well co-ordinated effort was, therefore, made in this direction. All the basic tools of promotion were provided from India to aid the overseas offices in their operations. These include a set of new and freshly designed tourist publicity literature produced by some of the best creative talent available in the country. Films, which are another excellent media of the publicity were also made available. Other aids made available were Indian handicrafts and display material, photographs/transparencies, slide presentation and direct mail literature.

(ii) Publicity within India

10.7. The Department of Tourism has stated that no tourism industry could sustain itself completely on international tourism alone without support from home tourism. Internal tourism had also been one of the greatest forces of national integration. Tourist promotion in India was channelised through field offices located in Bombay, Calcutta, Madras, Delhi, Jaipur, Agra, Varanasi, Aurangabad, Cochin, Jammu and Khajuraho. The various media of publicity like advertising, films, photographs and transparencies and window displays were used for promotion of tourism within the country.

(a) Advertising in India

- As a part of its publicity in India, the Department of Tourism had been mounting concentrated advertising campaigns through the National Press highlighting the role of tourism in the economy of the country, national integration and for spreading tourism consciousness. The advertising campaigns launched by the Department so far had been widely commended.
- The advertising campaigns were prepared by the Department of Tourism in consultation with the India Tourism Development Corporation and the advertising agency.

(b) Tourist Publicity Literature

Tourist publicity literature played an important part in the promotional work. It had been stated that the Department had reoriented its policy regarding publicity literature to make it far more attractive and marketable in the highly competitive international tourist market. An increased emphasis was now laid on factual information to make the literature really useful. The India Tourism Development Corporation which produces tourist literature for the Department of Tourism has prepared a production programme of the order of Rs. 1.50 crores spread over two years. This had been approved by the Department of Tourism. The programme included 33 folders, 24 inserts and 15 different designs of posters. The publicity literature was being produced in French, German, Italian and Spanish in addition to English.

(c) Films

Films played an important part in audio-visual publicity, and it had been stated that the Department of Tourism, aware of this importance, was exploiting this media fully. Most of the films of tourism interest were purchased from the Films Division for distribution to tourist offices in

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India and abroad. During 1971 the Department of Tourism purchased two films, produced in Japan. These films had been supplied to tourist offices in India and abroad. The Department also purchased the colour prints of film 'Taj Mahal' from the Films Division and distributed it to the tourist offices. Coloured prints of film 'Poovanam' had also been distributed to tourist offices in India. The black and white prints of this film were distributed earlier to tourist offices in India and abroad.

- The Department of Tourism had requested the Films Division to produce two films on "Preservation of Monuments" and "Wild Life" during the current financial year. Some well-known film producers had also been contacted to make a tourist documentary film. Besides this. the Department had assisted one dozen foreign films/TV producers who came to India to make tourist documentaries. The Department had commissioned, during 1971, British Movietone/20 Century Fox to produce two documentary films on Indian Tourism. Both the documentary films were under preparation in London. The Department was also processing a proposal to purchase about nine films from the Films Division during the current. financial year.
- As the black and white prints had lost much of their publicity value these days, the Films Division had been requested to supply coloured prints of the documentary films which they intended to purchase from them. The Films Division had agreed to have the coloured prints made for the Department of Tourism in U.K.
- A provision of Rs. 3 lakhs had been made during the current financial year for the purchase and production of films.
 - (d) Display Material and Hundicrafts
- Display material and handicrafts were essential marketing aids without which an effective promotion campaign abroad would not be possible. A provision of Rs. 3 lakhs was made in the Budget Estimates of the last year and out of this, an amount of Rs. 2.50 lakhs was utilised. All the four Regional Offices in India, *i.e.*, Bombay, Calcutta, Madras and Delhi were given funds for window displays. The Tourist offices overseas were asked to send their

requirements for display material and handicrafts, so that the material could be purchased from the Central Cottage Industries Emporium, New Delhi and supplied to the tourist offices overseas.

- (e) Fairs and Exhibitions
- It has been stated that the Department of Tourism actively participated in some of the most important world fairs and exhibitions held overseas and in India where millions of visitors could be exposed to our publicity. This year the Department participated in the Asian Trade Fair held in Delhi in November, 1972 and a pavilion in collaboration with the Departments of Culture, Agriculture, Archaeological Survey of India and the India Tourism Development Corporation was set up with a view to projecting a comprehensive image of the India heritage at the Asian Fair.

(f) Photographs and Transparencies

Photographs and transparencies played an important role in publicity these days. During 1971 some well-known photographers were commissioned through India the Tourism Development Corporation for obtaining black and white photographs as well as building up photo library which was being maintained by the India Tourism Development Corporation. There was ล considerable demand from the tourist offices in India and abroad for good quality photographs and transparencies for the purpose of publicity in their respective regions.

10.8. The following suggestions have been made by non-official organisations in their memorandum submitted to the Committee:----

"(a) To be really effective and to give full value for money extended a tourism promotion programme should be balanced between (1) sales promotion techniques; and (2) publicity and press advertising. It is most important that all aspects of a tourism promotion programme are closely coordinated with the carriers throughout the area. The amount of money spent by carriers in advertising. in running sales Travel offices, and in publicity and promotion, for outweigh that spent by individual countries. 204

- to cooperate with Air India for the exclusion of all other foreign airlines for the sale and development of tourism. This is a mistake. In the first place, it should be remembered that there are 17 to 18 international airlines that fly to India and Air India is only one of the many. More than 80 per cent of foreign tourists enter India on Airlines other than Air India. To ignore the contribution that these foreign airlines can make to the growth of Indian tourism is to act in a very narrow, short-sighted and purely chauvinistic way. This can only damage the interest of tourism. It should also be remembered that the funds that some of the Airlines like PANAM, TWA, BOAC, AIR FRANCE, KLM have for publicity and promotion are much large than what Air India or the Tourist Department has. It does not make sense to unnecessarily alienate all those Airlines especially when they are anxious to make their contribution to the promotion of Indian tourism albeit in their own interest. The vital thing is that the interests of these Airlines and those of Indian tourism are identical and it is not correct not to recognise the identity of interest and fashion our tourism policies accordingly.
- Also, to obtain maximum effect for the money spent, it is important that we should, if possible, get together with our neighbouring countries and work out, with the assistance and cooperation of the carriers, a joint programme for promoting the region of India, Nepal, Ceylon, Afghanistan and Iran.
 - By and large, India's problem has not been a lack of publicity but has largely been the lack of a proper infra-structure. We would be wasting money abroad in promoting India, if we do not provide the facilities required for tourists. By this I do not mean that promotion should stop but if we are to get the benefit of the money we are spending abroad, we have got to gear up the infra-structure in the country."
- (ii) "International tourism has become a very competitive field. As such the importance of overseas publicity has increased greatly. It is suggested that among other things, hoteliers and travel agents should be given adequate opportunities for publicising and convassing business overseas through personal visits, through the opening of sales offices and/or the appointment of sales representatives abroad. and

through advertising in foreign publications. The foreign exchange being made available at present for this purpose is inadequate, and its liberalisation is strongly recommended.

- In collaboration with Air-India joint promotion of tourism is being launched by the Department of Tourism. This had met with some success in Europe and was extended to U.K. in April 1970. We feel that the interlinking of efforts with Air India has resulted in effective promotional effort abroad and should, therefore, be extended to other tourist generating countries."
- (iii) "Tourism publicity requires a central point of coordination of both internal and external publicity. It is important that the publicity be recognised as a commercial function which must be handed over in its entirely to a single authority possessing sufficient professional expertise and organisational set up and this authority should be vested with the utilisation of funds allocated for this purpose."

10.9. In a Memorandum submitted to the Committee, the Government of Tamil Nadu have stated:—

"There was no poster on 'Tamil Nadu' in any of the Tourist Centres in foreign countries as the Government of India have not produced any posters on 'Tamil Nadu' in the recent years. It was suggested that posters regarding South India should be displayed in foreign countries by Air India and Government of India Offices."

10.10. When asked as to what steps had been taken by Government to display such posters in foreign countries, the Department of Tourism have clarified the position thus:—

- "The Department of Tourism brought out 15 posters during the 1971-72. Out of these two posters "Two South Indian Girls' and 'Gurmet's Paradise' relate to Tamil Nadu and South Indian subjects. Necessary steps are being taken to despatch these posters to Government of India Tourist Offices overseas for display by them.
- It has been the policy of the Department to produce about 15 to 20 posters every year and cover almost all the regions of the country. In the 1967 programme we had produced posters on Bharat Natyam and Meenakshi Temple. These posters were distributed to Tourist Offices overseas and they were displayed by them. Therefore, it would not be correct to say that there was 'no poster on Tamil Nadu in any of the tourist centres in foreign countries as the Government of India have not produced

any posters on Tamil Nadu in the recent years.' During 1973-74, the Department proposes to bring out posters on "Shore-Temple-Mahabalipuram, Vivekanand Rock Memorial and Tanjore Plate" which relate to South Indian subjects."

10.11. In a Memorandum submitted to the Committee, the Government of Pondicherry have stated:—

"The resources of Pondicherry Administration being very much limited, it is not normally possible to bring out standard Publicity material. Moreover, neither the Government of India, Tourism Department nor the India Tourist Development Corporation have so far brought out any tourist literature on Pondicherry. Even in those publicity materials which are brought out by the India Tourist Development Corporation or Department of Tourism, practically there is no mention about Pondicherry or its tourist attractions.... similarly Pondicherry rarely figures in the publicity campaign of our foreign countries."

10.12. The Department of Tourism in their post evidence replies furnished to the Committee, have stated:—

"The Department of Tourism produces publicity literature on major tourist centres of the country after taking into account the number of foreign and Indian tourists visiting a particular tourist centre and also the availability of infra-structure and communications. As Pondicherry was not a tourist attraction till recently, the Department has not produced any tourist literature on it. Since it is gaining some importance now due to the establishment of Auroville, the Department will consider producing some tourist publicity literature on Pondicherry for the benefit of tourists and also include it in our publicity campaign abroad."

10.13. The Secretary, Ministry of Tourism and Civil Aviation, during his evidence before the Committee gave the following views in so far as the publicity for Tourism was concerned:

"The present position is that the production and sale of publicity material is being done by the India Tourism Development Corporation. The Director General of Tourism is the controlling authority. Once the programme for publicity has been approved by the Director General of Tourism, then it becomes the responsibility of the India Tourism Development Corporation to produce it.

Regarding the production and sale of publicity material produced in India and abroad, obviously the ITDC is not geared for local publicity abroad. That publicity is done on material, no doubt, supplied by the ITDC by way of folders, transparencies, pamphlets, etc. which are sent from here. The ITDC despatches this material to tourism offices abroad. The foreign offices do local publicity through their own contacts and advertisers abroad."

10.14. Regarding the handling and utilisation funds allocated for **publicity** by a single authority, the Secretary, Ministry of Tourism and Civil Aviation explained the position thus:

"Budget is controlled by the Director General of Tourism. This budget includes a number of things. It includes allocations for the production of publicity material etc. A programme is drawn up which is approved by the Director General. That portion of it is done by the ITDC in India. It saves foreign exchange which we would otherwise be spending abroad. The ITDC has built up a competent department to deal with this aspect. I am talking of pamphlets which are despatched to various tourism offices abroad, embassies, etc. The number of pamphlets of a particular type that have to be sent to the country are determined in advance depending on requirements from that country. This by itself would not be enough. It is now enough merely to say to our embassy abroad in Paris that here is a material, now go ahead. There has to be a certain local programme which goes all over France, that is local publicity. Our tourist offices have certain allocations given by the department. Coordination of this work is done by the Director General of Tourism. There is no difficulty about coordination. It would not be correct to burden the Department of Tourism with day-today publicity in Europe."

10.15. Regarding the evaluation made of the effects of advertisements, the representative of the Ministry stated:--

"The first fundamental approach was everything must fall into our promotional activity abroad. For this purpose we used to embark upon the production of literature-4 years ago which used to be of the order of 15 or 16 lakhs. of rupees worth every year. This was revised to 37 lakhs 2 years ago but we made an evaluation in terms of the number of tourists that we were likely to invite and in terms of the literature that was required, we went back. to the Planning Commission on the basis of which Planning Commission gave to us for the last 2 years of Plan-150 lakhs of rupees for more production of literature alone and we have suggested that if this is not sufficient we will go up to them once again. We have gone on two years production basis and we are now thinking in terms of longer period because each year you cannot devise the programme. It must be covered over a longer period. So. this evaluation was done and the necessary response from the Ministry of Finance and the Planning Commission was secured."

10.16. The JHA Committee (1963) in its Report on Tourism observed thus:

"The publicity material sent out should be of top quality and the best artists, designers, writers, printers, photographers and field producers available in the country should be engaged to ensure that India's publicity material does not suffer in comparison with that put out by other countries. The proposed Tourist Corporation could well be entrusted with the task of publicity for the promotion of tourism and the Government should make suitable grants to that Corporation to finance the campaign."

10.17. During the Prime Minister's Round Table Conference on Tourism held in October, 1966 the following decisions were taken touching the publicity aspect of Tourism:

"Publicity should be concentrated in areas abroad from where we can hope to draw the largest number towards fulfilling the target of doubling the tourist traffic. Foreign producers should be encouraged to produce films in India, travelogues. Within the country, restrictions on photography should be relaxed considerably. Post-cards and slides of high quality should be produced and made available freely. Tourist maps, guide-books, information about entertainments in a city, and similar material are either not adequate or not available at all. Such deficiencies should be made up."

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10.18. The U.N.D.P. Team in its Report (1970) on Tourism commented thus on the publicity aspect:---

- "The number and quality of the many brochures distributed by the Indian Government tourist office should be completely reviewed and number condensed thereby eliminating many of their so-called promotional pieces. It is necessary that all promotional pieces be brief, concise and of good quality. The location of the area being promoted in India should be so identified on a map. Distances and travelling time as well as temperature, accommodations and accessibility are important on each piece of literature. When a prospective visitor to India requests general information and literature and in turn receives the multitudinous brochures, it tends to confuse and possibly results in a traveller lost to another destination.
- During our travels throughout India, we received literally hundreds of brochures at a certain area. Most of these brochures were designed to create a desire to visit that area. They do no good for anyone to present them after arrival. We realise a few will be carried home but due to weight allowances on international airlines, they are mostly destroyed. If local and regional brochures are to be given to the arriving tourists, they should be so designed to provide a detailed map of the area, showing names of the various stores and attractions as well as emergency phone numbers, approved travel agencies and tourist taxis.

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- Many countries such as Canada, the Scandinavians, Australia and Great Britain provide excellent manuals on their country. These provide travel agents as well as the Government Tourists Offices with facilities in their country.
- The Tourist Commission should consider issuing an up-to-date all India traffic, covering tours, transfers, sightseeing, etc., in a loose leaf binder form to enable revisions to be made by page only instead of a complete reprinting.
- A temperature and rainfall map should be definitely included. A great deal of the cost of producing this tariff could be under-written by factual advertising support thereby making the tariff that much more valuable. Samples of the kind of tariff publication we refer to have been given to the Department of Tourism.

- We discovered a few examples of international airlines being unduly restricted and taxed when desiring to produce a TV or cinema film for use in promoting travel to India. All efforts, cooperation and courtesies should be extended to anyone desiring to create a film or story on India which ultimately will be used to increase tourism to the country.
- Considerations should be given to producing 4-colour tour shells for purchase by travel agents, tour operators or organisations with ample room for imprint of their programme Consideration should also be given for allowing space for imprint or personalisation of posters and window displays created and designed for the tourist trade."

10.19. Giving the reactions of the United States Tour operators the U.N.D.P. Team has observed that "the majority of them feel that a lesser quantity of better descriptive literature would be an assistance to them......."

10.20. The Committee note that tourism today presents an unparallelled challenge to the economics of the developing world. The rewards to be gained both financial and sociological are immense. The Committee further note that large sums of money are being spent by different countries to attract more and more tourists. A good proportion of this expenditure is on publicity abroad from which there is the maximum possibility of attracting tourists. In the case of India too, realising the importance of tourism, and the benefits which accrue to the country, the Department of Tourism has stepped up its tourism promotion efforts through its offices located in New York, San Francisco, Chicago, Landon, Geneva, Paris. Frankfurt, Brussels, Stockholm, Milan, Tokyo, Sydney, Toronto, Mexico and Singapore. These offices were generally responsible for the dissemination of information of interest to the tourists, answering their queries, and the distribution of literature produced in India.

10.21. The Committee agree with the view that to be really effective and to give full value for money expended, a tourism promotion programme should be balanced between (i) Sales promotion techniques and (ii) publicity and press advertising. While the Committee welcomes the 'Joint Promotion of Tourism' by Air-India and the Department of Tourism viz., Operation Europe, Operation, U.K. and Operation America, they would stress that the results of these joint operation programmes be reviewed at regular intervals with a view to effecting improvements. 10.22. The Committee further note that India's potential for tourism was virtually unlimited and it was in India's interest to convert this potential into actual terms by a two prolonged strategy of strengthening the infrastructure at home and improving India's 'Tourist image abroad'. The Committee would, therefore, suggest that besides publicising India's image abroad the infrastructure in the country should be properly geared to meet the growing needs of the increased flow of tourist traffic.

10.23. The Committee note that Jha Committee in its Report on Tourism had observed that '.... the publicity material sent out should be of top-quality and the best artists, designers, writers, printers, photographers, and field producers available in the country should be engaged to ensure that India's publicity material does not suffer in comparison with that put out by other countries....' with a view, therefore, to obtain imaginative and informative quality design, photograph, print etc., the Committee would commend that services of best artists, designers, writers, printers available in the country might be utilised. The Committee would also suggest that open competition may be organised and successful entries suitably rewarded.

10.24. The Committee also note that during the Prime Minister Round Table Conference on Tourism it had been decided that ".... Publicity should be concentrated in areas abroad from where we can hope to draw the largest number towards fulfilling the target of doubling the tourist traffic. Foreign producers should be encouraged to produce films in India, Travelogues. Within the country, restrictions on photography should be relaxed considerably. Post cards and slides of high quality should be produced and made available freely. Tourists maps, guide-books, information about entertainments in a city, and similar material are either not adequate or not available at all. Such deficiencies should be made up."

10.25. Similarly the UNDP Team on Tourism while commenting on tourists literature had inter alia served that '.... Variety might be reduced in favour of quality, distinction needs to be drawn between material to attract tourists and to inform them on arrival; comprehensive manual for travel agents with contents indicated should be prepared; U.S. tour operators desire for lesser quantity of better descriptive literature....' The Committee would commend implementation of the ideas spelt out by these bodies in formulating future tourists publicity programmes and policies. 10.26. In the end the Committee would recommend that the results of our publicity programmes both internal and external should be evaluated at regular intervals so as to give guidelines for formulation of our future publicity programmes and policies on tourism.

II. Familiarisation Tours

10.27. It has been stated that the most constructive way of ensuring that agencies involved in developing tourist traffic to India know something of the richness and variety that the country offered, was to bring them to India as departmental guests. Simultaneously, the experience of the Department of Tourism was that the most effective publicity came from unsolicited newspaper stories written by specialist travel writers. Hospitality programmes had, therefore, been planned to obtain maximum benefits from this. Travel agents, travel writers, photographers and film producers both general and T.V. had come to India as departmental guests. In order to involve all other agencies concerned with selling travel, co-operative ventures had been developed with a_s many private agencies as possible on the basis that they covered the major part of the expenditure, thus again obtaining the maximum benefit at minimum cost.

10.28. Some prominent guests who visited India under this scheme were:

- (a) Photographers/Film Producers:
 - (1) Italian TV Team led by Dr. Luice
 - (2) Eastman Kodak Team, U.S.A.
 - (3) Toyo Cross Company Team, Japan
 - (4) Mr. David Montgomery, Photographer, U.S.A.
 - (5) Mr. & Mrs. R. Van Den Eynde, Photographer, Geneva.
 - (6) Mr. Robert Descharnes, Photographer, Geneva
 - (7) Fashion Team of six members from Paris.
 - (8) TV Team of 4 members from Japan, led by Mr. Okyyama.

(b) Writers/Journalists:

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- (1) Miss Page Palmer of News TV Cleveland, U.S.A.
- (2) Mr. Hazel Evans, Travel Writer From U.K.
- (3) Mr. Martin Harley of "Good Food" Guide, U.K.
- (4) Prof. Wagret of Nagel Publishers from Switzerland.
- (5) Mr. E. Attia and Mrs. Lilianne Toriel from Tribune de Geneva, Switzerland.

- (6) Dr. Taubar, Foreign Editor, Die Tat, Zurich.
- (7) Mr. Mark Day, Editor. Sunday Mail, Adelaide Australia.
- (8) Mr. Arnul fo Uzeuta and Mr. Thomas Rodriguez Travel Writers from Mexico.

Mrs. Sue Wendt Travel Writer, Fitji.

(c) Travel Agents/Airlines Staff:

- (1) Six Travel Agents Groups from Japan.
- (2) One Travel Agents Group from Switzerland.
- (3) Five Travel Agent Groups from Australia.
- (4) One Travel Agents Group from U.S.A.
- (5) Two Travel Agent Groups from Belgium.
- (6) One Travel Agents Group from Italy.
- (7) Two Travel Agent Groups from Scandinavia.
- (8) Two Travel Agent Groups from France.
- (9) Two Travel Agent Groups from Holland.
- (10) Mr. & Mrs. Keesling, President ASTA.

10.29. It has been stated that the evaluation of the editorial publicity received from these guests had been computed only on the basis of what it would have cost to purchase equivalent advertisement space, though the real value of editorial publicity was more than straight advertisements covering equivalent space:

Name of the Party				Investment on hospitality	Publicity returns	
				Rs.	Rs.	
Queen Magazine Team for U.K.	•	•	;	15,000	4,21,200	
Young Lady Magazine Team from Japan	•	•	•	1,600	64,0 00	
Dr. Charlette Peter and Miss Doris Fulleman	•	•	•	1,976	43,956	
Mr. J.P. Audert and 5 others from Adam Magazi	ne,	France	••	22,475	4,04,700	
Mr. A. Uzueta and Mr. T. Rodriques from Mexi	co.	•	•	5,525	1,00,000	
Journalist Group (6 persons) from Japan represe newspapers	ntin •	g diffe	ren	t 9,400	2,57,666	
Mr. Honri Blaise, Journalist from Luxumburg W	art		•	4,198	36,000	
Travel Writers' Group from Canada	•		•	30,100	1,88,400	

10.30. The Committee realise the need of a vigorous promotional approach abroad, it we are not to lag behind others in the race for attracting overseas tourists to India. The Committee, therefore, consider the hospitality programmes drawn out by the Department of Tourism whereby travel agents, travel writers, photographers and film producers both general and T.V. are invited to India as departmental guests, as a welcome step and would like this to be extended in a selective manner so as to get most significant writers, photographers etc. to visit India and stimulate interest for visit to this country.

10.31. Review should, however, be made from time to time to see that the expenditure incurred is commensurate with results achieved.

CHAPTER XI

TRAINING OF PERSONNEL IN THE HOTEL AND CATERING INDUSTRY IN THE FIELD OF TOURISM

11.1. No amount of merchandising of tourist attractions, publicity promotion and investment for increasing tourist facilities would be effective, if the personnel in the tourist industry of a country are not trained and efficient. Tourism training is, therefore, of utmost significance. In India the problem of finding employment and particularly skilled employment for her people is accepted as a national priority. Tourism provides employment possibilities in many activities and the better the trained people are the better the tourism job will be done.

11.2. Easily the most important of them are the hotels. To make a stranger feel at home in a strange country is not easy. It is not enough to provide accommodation and food. Some thing more is essential which can only come from trained personnel.

11.3. There are several institutions imparting training in hotel management in United Kingdom, West Germany, Switzerland, U.S.A., Australia and Japan. The training in the hotel management covers different branches of hotelierings, reception, dinning room services, waiting and room services, cooking, dietetics, bakery, book-keeping and accounts. In other words, it is fairly comprehensive technical training of the same type as technical training in other fields.

In the case of India, training for the hotel and catering industry takes place in two types of institutions:---

- (i) in the institutes for Catering, Technology and Applied Nutrition in Bombay, Delhi, Calcutta and Madras under the Ministry of Food and Agriculture; and
- (ii) in the Food Craft Centres in cities such as Bangalore, Cochin, Goa, Nagpur and Hyderabad (under the same Ministry).

11.4. The catering institutes have a training programme ranging from a 3 year diploma course, which can be supplemented by a one year advanced training course for higher level management, through craft courses for the training of bakers, cooks, etc. In the latter capable housewives are trained in the modern way of cooking, baking, general house work as well as catering and hygiene. The food craft centres have a training programme mainly covering the practical requirements of the catering industry e.g. bakers, cooks etc.

11.5. No qualified institutes exists for the training of personnel in the general field of tourism. The Department of Tourism organises some Refresher courses/guide training courses for Guides, Information Assistants. Language courses in French, German and Japanese are organised by the Department for all segments of tourist personnel. A six months course in Japanese was organised at the Indian Institute of Mass Communications, New Delhi. The trainees of the Ski Instructors Training School completed a two months course in German at the Max Muller Bhavan, Poona.

11.6. Besides, this the Department of Tourism deputed some of its officers at the Tata Training Centre, Poona and the Administrative Staff College of India, Hyderabad. Correspondence courses offered by the International Centre of Tourist Studies (CIEST) Turin (Italy) in general tourism and marketing were also availed of by the officers of the Central and State Tourist Departments and by Travel Agents. It has been stated that training opportunities in various fields were secured through the international organisations and under the Indo-German Technical Assistance Programme for Central and State tourism officers, the I.T.D.C. and the Institutes of Hotel management and catering at Delhi and Bombay. In 1971, the Department obtained two fellowships under the UNDP/FAO-TA programme for study in the U.S.A., Canada and Japan in trout culture and the development of trout fishing areas. Six fellowships were obtained in game farming under the U.N.D.P./TA programme. The Department is availing of five of the ten scholarships offered by the Australian Government in SKI instruction. An Officer each from the Department of Tourism and the Government of Gujarat went on a study tour to some East African countries on UNDP/FAO fellowships in wild life tourism facilities. Two Officers, one from the State Government of Kerala and the other from the I.T.D.C., attended a course in physical planning and development organised by the International Union of Official Tourist Organisations in Turin, Italy.

Institute of Tourism

11.7. It has been stated that with a view to providing suitable training facilities to personnel serving the tourist industry, and ensuring the availability of trained personnel at all levels, the Department is planning to set up an Institute of Tourism, where training in all aspects of the industry will be organised on a regular basis. The Institute will cover the needs of various segments of the travel trade e.g., hotels, travel agents, airlines, transport operators, guides, Government tourist organisations and other bodies. It will undertake research in the tourism field and also serve as a consulting institute and documentation centre. The International Labour Organisation has offered assistance for the purpose, and the services of an expert are being obtained under the U.N. Technical Assistance Programme for preparing a project proposal. Based on this, the Department will approach the U.N.D.P./N.L.O. for the requisite assistance for establishing the Institute It has been stated that the objective in setting up the Institute of Tourism was to develop expertise and inculcate professionalism in the travel industry a fuller appreciation and understanding of the concept of tourism, proper planning, efficient services and better management. The Institute will provide a two year course in management training at post graduate level to Junior/middle level executive. Besides this the institute will organise courses and seminars of short duration on various facets of travel industry for in-service training.

11.8. It has been stated that a provision of one crore rupees was being made in the Fifth Plan for the Tourism Institute, besides an input of US \$270,000 already included in the U.N.D.P. country programme. The Institute was likely to be located at Bangalore.

11.9. The Department of Tourism has also stated that besides the proposal for setting up a Tourism Institute, tourism has been introduced as one of the vocation-oriented courses in the College of Professional studies by the Delhi University for the three year B.A. (Pass course). The subject of Tourism had been introduced from the academic session 1972-73. The course of studies in tourism consisted of three papers comprising six courses. The first paper covered the outline of the general theory of tourism and tourist undertakings, the second dealt with Indian cultural heritage as the tourist product and tourist activities; and the third with tourist policy and tourist resorts.

11.10. The United Nations Development Programme Team in its report on Tourism observed that between 1958 and 1973, a total of 45 hotels with about 5,000 rooms were either already completed or were still in construction or planning. There was still a demand for

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30 to 40 more hotels in large and medium cities. This meant over the 5 years a requirement of approximately:—

(i)	Hotel Managers	100
(i i)	Assistant Managers	100
(iii)	Chief Receptionists	100
(iv)	Chief Porters	100
(v)	Chief Cooks	100
(vi)	Head Waiters	100
(vii)	Bar Cheps	100
(viii)	Chief Housekeepers	100
(ix)	Engineers .	100

11.11. In addition to that the U.N.D.P. Team stated that thousands of cooks, waiters etc. would be required. No perspective planning, however, seems to have been done to meet these future requirements.

11.12. The Committee enquired whether there were any arrangements in the country to impart professional training to the people who were already in the industry and if not, whether any organised attempt had been made to send our people in the industry to privateor public hotel training schools or colleges in foreign countries such as Switzerland, France, Germany or a Special University like Cornell in the United States. In a written note furnished to the Committee Government have explained the position as follows:—

- "Although there is no Institute in the country at the moment to impart professional training to persons already working in the hotel industry, some of the leading hotel chains, both in the public and private sectors, give inservice training to their staff.
- This Department has been helping the hotel industry in a number of ways in getting its working personnel further trained. A private hotel company was helped in 1971 in organising a training Seminar at Poona for middle level hotel managers and this Seminar was well attended by hotel managers from all over the country. In selecting students for release of foreign exchange for studies in Hotel Management overseas, including at the institute in Switzerland, France, Germany and U.S.A., preference is given to those candidates who have worked in approved.

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hotels/restaurants for at least one year. This Department also recommends/releases foreign exchange to hotel executives to attend specialisation courses, such as Short Summer Courses at the Cornell University, and for the technical seminars on Sales, Promotion, Engineering, Accounting etc. etc. organised by such leading hotel chains, as the Inter-continental Hotels Corporation of U.S.A."

11.13. Commenting on the achievements of the Catering Institutes and Food Craft Centre, a German Company, Steigenberger Consulting in its Report on Tourism Training problems in India had observed that:—

"The achievements of these Institutes to meet the requirements of hotels and catering institutions have been recognised but it is pointed out that the standard of training cannot be compared to those of Hotel Schools in the United Kingdom or Europe. A great deal of Improvement is necessary to raise the standard of the schools with the help and advice from abroad. In general the Institutes, and Centres, are considered to be very badly equipped, both with regard to the quantity and the quality. The Institutes need to be supplied with books, periodicals, illustrated material and new equipment. As regards the organisational set-up of the Catering Institutes, the survey brings out that the existing arrangement of hiring the faculty on a limited time basis is very unsatisfactory and has a very detrimental influence on the standards of the institutes as the teachers leave them to take jobs in the industry. With a view to intensify coordination in the activities of Catering Institutes, it is considered advisable to create a controlling office within the Department of Tourism which would be charged to work closely with the different Institutes and make reports and suggestions regarding possible improvements."

11.14. In a Memorandum submitted to the Committee, the India Tourism Development Corporation, have summed up their views about tourism training programmes as follows:—

"The I.T.D.C. recognises the need for improved and expanded training facilities to all aspects of tourism. The Corporation has commenced training programmes at all levels of

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hotel management. In fact a full fledged Training **Cell** has been set up recently for this purpose; other aspects of tourism training are being looked after by the Department of Tourism."

11.15. The Federation of Hotel and Restaurant Associations of India gave their views to the Committee thus:---

- "There is a great shortage of trained staff for the hotel and restaurant industry. There are four catering institutes which have been set up at Bombay, Delhi, Calcutta and Madras. Whereas they have helped in training staff for hotels and restaurants, there is considerable scope for improvements in both the quality and quantum of the instruction being imparted by the Institutes.
- A sub-Committee appointed by the Federation of Hotel and Restaurant Associations of India has gone into the above problems thoroughly and made the following recommendations:—
 - (a) The Catering Institutes in India have a syllabus which is not fully capable of providing the management material for the fast expanding hotel industry. The sub-Committee has made detailed suggestions for improvement in the existing curriculam.
 - (b) The management courses being run by the Institutes may be affiliated to the University of Delhi and Bombay, and raised to B.A. and B.Sc. level.
 - (c) Craft training and management training in the institute should be separated.
 - (d) Majority of the present teachers in the institutes have very little knowledge/experience of the industry which is so essential for effective instruction. The institutes should be encouraged to import for the next five years competent teachers so as to set up more effective system of teaching which can be carried on and improved by their Indian counter-parts. During this period of five years, the existing teachers should be encouraged to get sufficient industrial experience.
 - (e) Tourist Department sould coordinate with the Ministry of Food for the running of the Institutes and bifurcate

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the existing courses into specialisation into craft and management. These should be separate establishments very similar to those of Europe and U.K. for craft and to Cornell in the U.S.A. for specialised management studies.

- (f) The institutes should be provided supplementary funds so as to bring up the level of instruction on the aforesaid lines.
- (g) A research cell should be started in the proposed tourism institute and its findings should be utilised for improving the standard of instruction in the catering institutes."

11.16. A leading hotelier in a memorandum submitted to the Committee have stated:---

"Very little has been done in the matter of tourism training. There are craft training institutes for catering in the major cities in the country but this is not adequate. There is a complete lack of development in the training of Managers. Some time back my Company requested Government's permission to set up a Management Training Institute for Hotel Managers but the proposal was not welcome as it was stated that this would be done in the public sector. This was three years ago and up to now nothing has been done by the public sector. It is my view that there is room for more than one such centre and there is no reason why both the public and the private sector should not do it."

11.17. During evidence the Committee were informed that Government were very much aware that there was a shortage of trained personnel in the country, so far as the Hotel Management and Catering techniques were concerned. Their problem was that there were practically no teachers to teach the subjects. The representative of the Ministry of Tourism and Civil Aviation added that unless they train up a cadre of faculty in the country, mere setting up of institutions was not going to help them, because it would be extremely difficult to obtain so many teachers or faculty members. Then there was the shortage of text books and reference books in the country. They felt that the setting up of the Tourism Institute would help not only in training people to serve in the travel industry, but also, people who could later on teach at various institutions, as and when they come up. 11.18. Regarding the steps taken by the Department of Tourism for giving training and for having a cadre of teachers, the Secretary, Ministry of Tourism and Civil Aviation, amplified the position thus:—

- "It is no doubt correct that hoteliering now is quite a technical field, and with the advance that is being made elsewhere. this field is also developing very rapidly. It is just a question of making food and serving it. A series of new techniques go into this matter. There is shortage of trained personnel. We have got 4 institutes in various parts of the country, that is in the metropolitan cities, which have some training programmes. They are not adequate to meet the requirements of the growing industry. For this reason we are very actively considering the setting up of a training institute. We are including it in the country's programme for U.N.D.P. assistance. An expert will come to India in March, 1973 for this purpose. The trade has been taken into confidence and we hope to set up a training institute, which will provide us Managers and other personnel for the entire tourist industry.
- We hope to set up the institute in about a year. Thereafter, it will take at least 2 or 3 years training depending upon the course and the type of expertise required."

11.19. As to the offer of a private party, for opening a Tourism Training Institute, the Secretary, Ministry of Tourism and Civil Aviation, stated Government's position thus:—

"....We thought that an institute of this type where a large number of faculties have to be imported from abroad, should be the responsibility of the Government, rather than a private party. It might have been different if a sort of local college were to be set up, with Indian personnel."

11.20. The Committee note that India, training for hotel and catering industry takes place in two types of institutions viz., (i) Institutes for Catering Technology and Applied Nutrition and (ii) Food Craft Centres. The Committee further note that no institute of standing exists for the training of personnel in the general field of tourism. The Department of Tourism, however, arranges some refresher courses for Guides etc., and language courses in French, German and Japanese for different segment of tourist personnel. Some training opportunities in various fields are also stated to have been secured by the Department of Tourism through the international organisations and under the Indo-German Technical Assistance programme for Central and State Tourism officers, the I.T.D.C. and the Institutes of Hotel Management and Catering at Delhi and Bombay.

11.21. The Committee note that a Germany Company Steigenberger Consulting in its Report on Tourism Training had observed ".... the achievements of these institutes (Catering Institutes and Food Craft Centres) to meet the requirements of hotels and catering institutions have been recognised but it is pointed out that the standard of training cannot be compared to those of Hotel Schools in the United Kingdom or Europe. A great deal of improvement is necessary to raise the standard of the schools with the help and advice from abroad. In general, the institutes and centres are considered to be very badly equipped both with regard to quantity and quality...". The Committee also note that the Federation of Hotel and Restaurant Associations of India have also made a number of useful suggestions for the improvements in both the quality and quantum of instructions being imparted by these institutes. The Committee would in this connection like to recapitulate some of them for urgent attention and implementation viz., (i) Need for revision of the Syllabus of Catering institutes to provide for the management material for the fast expanding hotel industry; (ii) affiliation of management courses run by the institutes to the University of Delhi and Bombay and raising it to B.A. and B.Sc. level; (iii) need for import of competent teachers from abroad as the majority of the present teachers in the institutes had little knowledge/experience of the industry so essential for effective instructions; (iv) need for bifurcation of courses into craft and management courses; (v) need for separate establishments for specialised management studies.

11.22. In this connection the representative of the Ministry of Tourism had also admitted during evidence that "unless they train up a cadre of faculty in the country, mere setting up of institutions was not going to help much because it would be extremely difficult to obtain so many teachers or faculty members. Then there was the shortage of text books and reference books in the country." The Committee would urge that suitable measures should be taken as expeditiously as posible to overcome these shortcomings.

11.23. The hoteliering industry and the travel trade are also equally worried about the inadequacy of training facilities for training personnel in the field of Hotel and catering industry and in the field of tourism. The Committee, therefore, feel that there is a national need for training of instructors for the Catering Institute and Food Craft centres and a management institutes for the education of toplevel managers in the hotel industry.

11.24. The Committee note that if the hotel, travel trade and tourism industry is to flourish in India, and we are to keep abreast of tourism development it would not be sufficient to simply provide the physical facilities. The problem of training the present personnel as well as the recruitment of future skilled personnel has also to he solved. Further, intended increase in tourist traffic and the planned development of accommodation and restaurant capacities to meet the requirements of projected arrival of one million tourists by 1981, will aggravate the problems considerably. The Committee feel perturbed that not much had been done so far in the matter of training of personnel in the hotel and catering industry and in the field of tourism. The Committee consider the development of training facilities for the successful execution of Master Plan for tourism development as of paramount importance. In the Committee's view there is urgent need for formulating a full scale training programme in consultation with hotel and tourist industry both in public and private sectors, to meet all the trained human resources requirements of tourism industry in India which should include manpower projections and training at all levels.

11.25. The Committee consider the proposed setting up of the National Institute for Tourism as a step in the right direction. They hope that the Institute would cover all aspects and would ensure the availability of trained personnel at all levels and would be able to meet the needs of hotels, travel agencies, airlines transport operators, Government Tourist Organisations etc. Till such time the Institute of Tourism gets going, the Committee would like the Department of Tourism to work out some ad hoc arrangements to draw up some training programmes/refresher courses by providing in service training in the leading hotels of the country.

11.26. The Committee considers the inclusion of tourism in vocational courses for B.A. in the Delhi University as a welcome step. The Committee would also emphasise the need for training of Managers and also for training and improving the skills of cooks, bakers etc. With a view to intensify coordination in the activities of Catering institutes, the Committee consider it desirable to create a controlling office within the Department of Tourism to work closely with the different institutes and make reports and suggestions regarding possible improvements.

CHAPTER XII

WILD LIFE TOURISM

12.1. Wild Life fulfils an aesthetic purpose and also stimulates tourist trade. It is a national asset, an inheritance which it is the duty of the present generation to pass on unimpaired to posterity. Life would become indeed very dull and colourless if man did not have these magnificent animals and birds to look at and to play with. Modern biological sciences would be poorer if some species of wild life disappeared.

12.2. Nature has endowed this country with a very rich wild life which in its variety and beauty compares favourably with that of any country of the world. The existing wild life is an admixture of elements of Indian, Indo-Chinese, Ethiopian and European elements, each predominating in those parts of the country which are most suited to their requirements. The Indo-Chinese forms such as the Pandas, Thamin, Hog Badgers, Crestless Porcupine, Goat Antelopes etc., are found in the wet and moist forests of eastern Indian adjoining Burma. The fauna of Kashmir and the Western Himalayas is characterised by a predominance of types such as the Kashmir stag, the Ibex and Markhor which are similar to those of the Central Asia and Eastern Europe, while the fauna of the Indian Desert resembles that of the Middle-East countries. The true Indian species such as the Black Buck, Nilgai, Cheetal and the fourhorned Antelope are found chiefly in the Indian Peninsula. The faunal forms which are typical of their respective regions have, however, spread and extended their range gradually, resulting in a considerable intermixing of species and the range of the fauna typical of one region overlaps that of another.

12.3. It is estimated that there are over five hundred different species of mammals, 2000 species of birds and more than 30,000 forms of insects apart from many varieties of fish, amphibia and reptiles. Of the mammals, the conspicuous ones are elephant in the forests of Mysore, Kerala, Orissa, Assam and parts of the Uttar Pradesh; rhinoceros in Assam and Bengal; the wild-buffalo in Assam and forests of Bastar in Madhya Pradesh; bison in the Southern and Central Indian Forests; lion in the Gir forests of Gujarat; tiger almost throughout India except in Jammu and Kashmir and parts

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of Punjab and Rajasthan; penther in almost all forests with several, sub-species; wild-ass in the Rana of Kutch; stag in Kashmir; barasingha in Uttar Pradesh, Assam and parts of the Madhya Pradesh, Sambhar, Cheetal, Nilgai, Chinkara and black-buck in the deciduous forests; bear in almost all forests; the musk deer in the higher Himalayas and so on. As for bird life, India possesses one of the richest avifauna. Out of the total number of different kinds of birds known to inahabit the earth, about one-tenth occur in this country. Many birds are of economic importance, some are excellent songsters; others have beautiful plumage, or are game birds. The peacock with its resplendent feathers is India's national bird. The existence of varied wild life in India has, therefore, been a great source of tourist attraction.

12.4. In view of the precarious conditions of wild life in the country, the Government of India constituted an Expert Committee on 26th October, 1969 for drawing up a National Wild Life Policy for India and to suggest improvements in the administration of existing National Parks and Sanctuaries and laying down guidelines for creation of new one.

12.5. The Expert Committee in its report on Wild Life Conservation, submitted in August, 1970, besides enunciating national policy for wild life conservation, has *inter-alia* recognised the significance of Wild Life tourism and the need to have proper accommodation, transportation and related tourism facilities with-out impairing park features. The Report also specially selected Kaziranga, Corbett, Hazaribagh, Bharatpur, Sariska, Gir, Kanha, Bandipur, Madumalai, Periyear and Taroba Sanctuaries for development. To a question as to what concrete steps had been taken to develop the high priority areas selected by the Expert Committee on 'Wild Life Conservation', for developments, Government have stated:—

- "(i) Realising the importance of Wild Life Tourism the Departments of Tourism had set up a separate cell for promotional work in this field. A provision of Rs. 50 lakhs was made in the Fourth Five Year Plan for augmentation of transport and accommodation facilities in selected game sanctuaries. This provision was enhanced to Rs. 60.25 lakhs last year. It has been decided to put up rest houses suitable for foreign tourists in the following wild life sanctuaries national parks;
- 1. Kanziranga Wild Life Sanctuary (Assam)
- 2. Gir Wild Life Sanctuary (Gujarat)

- 3. Bharatpur Bird Sanctuary (Rajasman)
- 4. Kanha National Park (M.P.)
- 5. Corbett National Park (U.P.)
- 6. Bandipur Wild Life Sanctuary (Mysore)
- 7. Dandeli Wild Life Sanctuary (Mysore)
- 8. Jaldapara Wild Life Sanctuary (West Bengal)
- 9. Nal Sarovar Bird Sanctuary (Gujarat)
- 10. Kalesar Forests (Haryana)
 - The pattern followed for construction of these rest houses is that the State Government makes land available free of cost and also undertakes supporting construction of staff quarters, garages and dormitories for drivers, while the Department of Tourism meets the entire cost of construction, furniture, furnishings and kitchen equipment etc. Management of these rest houses is proposed to be entrusted to the Indian Tourism Development Corporation. Financial sanctions for the rest houses at Kaziranga, Sasangir, Bharatpur, Dandeli and Jaldapara have already been issued and work taken up on the rest houses at Kaziranga, Sasangir and Bharatpur. Work on the rest houses at Jaldapara, Bandipur and Dandeli is expected to be taken up by the beginning of February, 1973. Cases relating to issue of administrative approval and expenditure sanction in respect of the rest houses at Corbett National Park, Kanha National Park, Nal Sarovar and Kaleswar Forests are with the Ministry of Finance and their concurrence is awaited.
 - (ii) To provide uniform transport facilities in wild life sanctuaries, the Department of Tourism acquired 12 mini-buses last year for use by tourists within the sanctuaries. These mini-buses are fitted with public address system and have been specially designed for use in sanctuaries. The distribution of these mini-buses is given below:—

1.	Bharatpur Bird Sanctuary		1
2.	Sariska Game Sanctuary		1
3.	Gir Forest		2
4.	Corbett National Park	••	2
5.	Kaziranga Wild Life Sanctuary	••	2
6.	Kanha National Park		1

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7. Bandipur Game Sanctuary			1
8. Bandeli Wild Life Sanctuary	••	••	1
9. Madumalai Sanctuary	••	••	1

Ten more such mini-buses are being acquired this year.

- (iii) An amount of Rs. 3.18 lakhs has been released for electrification of Sariska Game Sanctuary. An amount of Rs. 2.51 lakhs has been sanctioned for internal electrification of Kanha National Park, besides Rs. 1|- lakh for meeting partial expenditure on water supply for Kanha Kisli. Work on all these projects is in progress.
- (iv) Two Safari Parks, one at Hyderabad and the other at Borivali National Park (near Bombay) are being set up at an estimated cost of Rs. 6 lakhs and Rs. 6.89 lakhs respectively.
- (v) Earlier during 1968-69, an amount of Rs. 4,19,500 were spent on improvement of facilities at Corbett National Park including improvement of Dhikala and Brijrani Road, provision of additional accommodation and the improvement of the existing accommodation at Bhikala, Gairal and Brijrani rest house. An amount of Rs. 1,11,500 was also spent for provision of Anicuts and Barasingha Breeding Projects at Kanha National Park during 1969-70, besides Rs. 5,000|- at Sariska Wild Life Sanctuary for landscaping during the same financial year.
- (vi) An amount of Rs. 4,10,591 has been allocated so far to Periyar Wild Life Sanctuary. This was utilised for improvement of accommodation, purchase of motor-launches for wild life viewing and construction of a slopping Jetty. It has been stated that Hazaribag and Taroba Wild Life sanctuaries have not received so far any assistance from the Department of Tourism and this will be kept in view while considering future development schemes."

12.6. In a note submitted to the Estimates Committee, the Assam Government has urged the early development of Manas as a fullfledged National Park with the requisite facilities. It has been stated that Manasa Wild Life Sanctuary was a lovely forest reserve of exquisite scenic beauty situated at a distance of 176 km. from Gauhati to the North West. Against the rich setting of the foot hills of Bhutan it was a sanctuary for wide spectrum of Wild Life, *viz.* Buffalo, Bison, Rhino, Swamp Deer, Sambar and varieties of birds. It was also singularly famous for the rare species of monkeys called Golden Langur.

12.7. Considering that Wild Life Safari traffic could prove an excellent inducement to attract tourist traffic to the country, the Estimates Committee in its 90th Report (Fourth Lok Sabha) had made the following recommendations: —

"The Committee consider that wild life photo safari traffic can prove an execellent inducement to attract tourist traffic to the country. It is unfortunate that this is not being fully exploited at present. The capacity to provide proper facilities for wild life photography in the Sanctuaries and National Parks so as to present a variety of wild animals including tigers and lions in their natural habit and organised tours of foreign tourists to these places, has not yet developed in our country. The Committee suggest that besides providing these facilities and strengthening measures against poaching in existing wild life sanctuaries and National Parks, certain specified areas should also be developed for wild life photography and for this purpose construction of accommodation with boarding and lodging facilities should be taken up in the game sanctuaries."

It has, however, been seen that no concrete action has been taken "to implement this recommendation.

12.8. Regarding the development of Wild Life Tourism the Additional Director-General (Tourism) explained the position thus during evidence:—

"With regard to wild life tourism, we commenced with substituting in our campaign the preservation of wild life in place of shooting of wild life. This is the first publicity campaign which we have embarked upon and we have had tremendous response, not only from newspapers, but even from various organisations in different countries. Now, with regard to what the Department of Tourism does, we started with trying to put up accommodation and arranging transport for viewing, in selected wild life sanctuaries, in five of them and extended it to 8. The State Governments are acutely aware of this, and they have had all these game reserves and national parks etc., identified and brought them under their control. The exercise that has gone on so far is that a small group was set up with the official of the Ministry of Agriculture, one officer of the Department of Tourism, who is himself a wild-life man coming from a forest department and another adviser representing the Inspector-General of Forests, to make a quick survey of what can be taken up for development during the next Plan period. They were to go to various spots. They rendered a report the wild life to Departments of Tourism and Agriculture. Based on this, the Fifth Plan scheme is being drafted. These schemes will fall into two broad areas. viz.: Wild Life protection itself-the content of the park development of the habitat, improvement of the wild life in the jungle itself and then the conservation of nature etc., which is the function of the various Departments of States. The second is the Tourism Department taking care of viewing aspect and development of communication, accommodation and transport arrangements in those areas. We have commented on these in group discussions. This is to be implemented by two different agencies. The coordination is achieved because it is part of a common plan. Unless wild life and its nature are conserved and developed, the following action of improving tourism therefore, would not arise. These various reports have been rendered to the various agencies concerned and would be discussed at the appropriate stage."

12.9 The Committee enquired what exactly was the position of Department of Tourism *vis-a-vis* Wild Life Conservation in general and wild life tourism in particular. In a written note furnished to the Committee, Government have stated the position thus:—

- "By the term 'Wild Life' we really mean wild nature *i.e.*, the natural flora and fauna of the country and the environment of which it occurs. The fascinating diversity of India's wild life with temperate affiliations in the north and the tropical character in rest of the country, has enormous potential for the purpose of tourism, both on its own as well as in combination with our cultural and historical assets. By developing wild life tourism in the country, the Department of Tourism hopes to make available to the tourism a new and glorious experience.
- In India forests and wild life are today a State subject and the responsibility for wild life conservation is that of State forest authorities. The main responsibility of Department of Tourism is to develop tourism related to wild life in

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cooperation with concernd State and Central authorities. However, since wild life is the basis of wild life tourism and the fact that without wild life there can be no wild life tourism, the Department of Tourism is keeping close liaison with State and Central authorities involved in wild life conservation and extends when possible a help also *e.g.*, Financial assistance for Bara Singha breeding project and construction of anicuts for improving water supply to wild life during summer months in Kanha National Park. Looking at the reduced numbers of our wild life and the desparate situation that it finds itself in today, the department feels such assistance to the forest authorities is necessary. The Department's interest in wild life conservation is thus supplementary to the main effort being made by the forest authorities.

12.10. To a question, as to how the coordination was being achieved between different agencies connected with wild life, Government have stated:—

- "The Minister for Tourism and Civil Aviation in his personal capacity is the Chairman of the Indian Board for Wild Life which is the Advisory body to Government of India on matters relating to wild life. He is also Chairman of Project Tiger—which has been constituted to ensure proper protection of the Tiger.
- (ii) The Director General of Tourism is member of the Indian Board for wild life.
- (iii) The Department coordinates closely with Inspectorate General of Forests, Ministry of Food and Agriculture, Government of India, and State authorities on matters relating to wild life e.g., ban on shooting tiger, wild life protection (Act) Development of National Parks/sanctuaries etc.
- (iv) Liaison with natural History Societies is also maintained, on wild life matters.
- It was with the assistance of Department of Tourism that the wild life preservation society of India, Dehra Dun was able to convert its journal 'Cheetal' from half yearly publication to a quarterly."

12.11. Some studies have been conducted in the U.S.A. which show that people visiting the Glazier National Park (1951) spent

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four million dollars in and around the part, and nearly eight million dollars in the State of Montana. In 1956. 23 million dollars were spent within 30 miles of the Smoky Mountains National Park. These earnings provide the backbone of the economy of the States where the National Parks are situated. It has been estimated that in 1960. visitors to National Parks spent two billion dollars in their neighbourhood. Out of this 570 million dollars were spent in near the parks, 739 million dollars en-route, and 746 million Or dollars at home in preparation of such visits. It is now estimated that expenditure by visitors in National Parks might be over three billion dollars. In the year 1969, 44 million visitors to the National Parks of America contributed as much as 16 per cent to the gross national product of the U.S. national economy. Direct revenue by the National Parks of East-Africa does not match the expenditure, but Kenva earned £46 million and Tanzania £12 million from their tourist industry. 80 per cent of this revenue is indirectly because of their National Parks. During the year 1969 Kenya earned £50 million from Wild Life Tourism.

12.12. Indian Wild Life is a fascinating assemblage of species and this rich floristic and faunistic group if developed properly could turn out to be an extremely valuable tourist asset, particularly in combination with other places of historical and cultural interest. Wild Life Tourism can become a major source of foreign exchange earnings for India besides internal tourism boosting economic activities in the various regions. Presently in India Wild Life Tourism is in its infancy and was basically confined to "Shikar" outfitters and their foreign clients and foreign tourists visiting some of the National Parks and Wild Life Sanctuaries.

12.13. The Committee are glad to note that realising the importance of Wild Life Tourism, Government have made a provision of Rs. 60 lakhs for augmentation of transport and accommodation facilities in selected games sanctuaries and efforts are being made to provide these facilities at a quicker pace. The Committee, would, however, stress that in order to achieve maximum results it is necessary to clearly define the position of Department of Tourism vis-a-vis wild life conservation in general and wild life tourism in particular and there should be complete understanding between the Department of Tourism, Inspector-General of Forests at the Centre, State Governments and the State Forest Department.

12.14. The Committee further note that although many of the National Parks and Sanctuaries in India have a variety of Wild Life it is not always accessible to visitors. The Committee would, therefore, stress that the Department of Tourism should actively associate itself with measures to make wild life more accessible by providing good approach roads, lodges to accommodate group tourists and other visitors and facilities like camping, rapid communications system and local transport inside the park, for those who go by public transport. The Department of Tourism can also look after organised interpretation programmes at site supported by well-produced literature to attract tourists to the National Parks Games Sanctuaries.

12.15. In this connection, the Committee would also take this opportunity of reiterating its earlier recommendation made in para 10.33 of the 90th Report (Fourth Lok Sabha) regarding provision of proper facilities for "photo safari" traffic. The Committee would urge an early implementation of this recommendation both in letter and spirit.

12.16. The Committee further rote that Manas Wild Life Sanctuary in Assam, was equally famous for a wide spectrum of Wild Life viz., Buffalo, Bison Rhino, Swamp Deer, Sambar, Golden Langur and varieties of birds. They would, therefore, urge Government to examine easily the question of development of Manas as a fullfledged National Park with the requisite facilities.

CHAPTER XIII

ORGANISATIONAL SET UP

A. (i) Existing Organisational Structure and Function

13.1. The Central Department of Tourism is an attached non-participating office of the Ministry of Tourism and Civil Aviation and is headed by the Director General of Tourism, who has been of an *ex-officio* status of Additional Secretary to the Government of India. It has been stated that although an Attached Office, the Department is both a policy making and an executive organisation and corresponds directly with other Ministries and Departments of the Central Government and State Governments.

13.2. The Department has 7 main Divisions viz., (1) Accommodation (2) Travel Trade and Hospitality (3) Publicity and Conferences (4) Planning, Programming and Training (5) Market Research (6) Tourist Recreation and Entertainment (including Wild Life) (7) Administration, Finance and Co-ordination. The detailed functions of each Division are listed below:—

(i) Market Research Division

Studies into tourist preferences and habits, opinion surveys of tourists as well as of these offering services, surveys for computing income, foreign exchange earnings, multiplier value, expenditure pattern among tourists, statistics of nationality, sex, age and other particulars of tourists, publication of statistics, visitor surveys, transit surveys and surveys and statistical studies for the purpose of determining existing pattern trends, projections, (furnishing of all statistical material and data required by other Divisions), appointment of and supervision over the working of agencies for collection of statistical information, preparation of reports, critical evaluation of reports etc.

(ii) Planning Programming and Training Division

Residuary work connected with major projects in the Fourth-Five Year Plan, drafting and finalisation of schemes listed but not yet taken up for finalisation, assigning at appropriate stages schemes to different divisions for implementation initiating studies, preparing preliminary data and preparing the 5th Five Year Plan for tourism, studies for preparation of perspective plan, economic studies, recommendations of priorities, recommendation of physical and monetary targets, estimation of possible local and overall benefits, liaison with State Governments in preparation of plans which will maximise benefits from expenditure at Central and State levels, assistance to working groups of the Planning Commission for Central as well as State sector.

Training and Foreign Assistance

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All matters connected with training within India and abroad of departmental personnel as well as personnel from 1 500 the trade and Tourism Departments of State Governments including sponsoring/deputation of Central and State Government officers and employees of the trade ن مناطقة الم for training courses, organisation and conducting training seminars and courses in the country and assistance to other sponsoring them, organisation of special training in foreign languages, history, archaeology, culture etc. to officials and guides, liaison with training institutions. Im-Ŀ plementation of foreign assistance programmes, securing assistance for training purposes, exploring foreign assistance for other schemes evolved in the Planning Division. Organisation and establishment of an all India Tourism Institute for imparting training to personnel sponsored by Government and the trade and all other matters leading to the successful establishment of the institute within the current financial year.

(iii) Accommodation Division

- (a) Regulatory
- Approval of hotels, processing of collaboration projects evolved through agreements between Indian and foreign parties, sponsoring and processing applications for import licences and applications for procurement of scarce commodities, matters relating to employment of foreigners, release of foreign exchange for publicity and promotional tours, compilation of the India Hotel Guide, money changer licences in hotels, liaison with the Federation of Hotel and Restaurants Association of India, statutory work connected with issue of certificates for securing tax

concessions to hotels, recommending priorities for supply of services and provision of facilities to hotels like telephone, electricity, water supply, provision of land on concessional basis.

(b) Inspection

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- Constitution of Committees for classification of hotels and restaurants, inspections, prescription of standards, classification of hotels and restaurants.
- (c) Subsidiary Accommodation
- All schemes of the Department relating to construction, management and maintenance of travellers lodges, reception centres, motels, restaurants and cafeteria, youth hostels, camping sites, log huts, beach cottages, lodges and hotels in sanctuaries etc.

(iv) Travel Trade and Hospitality Division

(a) Regulatory

Grant of approval to travel agents, grant of recognition to car hire operators, liaison with the Ministry of Transport and State Governments for facilitation of inter-State movements of tourist vehicles, release of foreign exchange and sponsoring import licence applications for spare parts for tourist vehicles, allotment of imported cars resold by the STC, publicity by travel agents, promotional tours of travel agents abroad, import of vehicles, organisation of transport in out of the way place, liaison with ITDC and provision of vehicles to ITDC for such purposes, liaison with railways in matters relating to fairs, special trains, provision of amenities, liaison with airlines Air and India and other International Air Lines, matters connected with charter flights, facilities at the air port for tourists, frontler formalities, matters connected with the facilitation Committee, liaison with Travel Agents Association, membership in travel associations and clubs by overseas officers, implementation of regulatory provisions adopted by the international organisation as applicable to and accepted by Government of India, work relating to Committee on Air Taxis.

(b) Complaints

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Complaints by tourists alleging fraud, ill treatment, high

handedness by officials, shopkeepers, hoteliers etc.

(c) Hospitality

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Hospitality to departments, guests including travel agent groups, tour promoters, editors, travel writers, photographers, TV Film teams, models etc., including travel, accommodation and organising schedules of business, securing custom clearances for special equipment required by or brought by departmental guests, obtaining mandatory or rebated passages on flights, liaison with the IAC and Air India for special arrangements for carriage of films, material etc., assigning proper guides and conductors for tours, certifying bills relating to hospitality, review of hospitality programmes, assessment of benefits.

(v) Publicity and Conference Division

- (a) Publicity
- Advertising and allied publicity in foreign countries, public relations work, overseas, joint publicity with Airlines. joint publicity with other countries, budgeting and programming of publicity literature, liaison with tourist officers abroad and with Air India for determining quality and quantity of publicity material, production or purchase of picture post cards, diaries, greeting cards etc.. publicity within the country, production of publicity material in foreign languages, production of maps and guides, procurement of material for visual publicity, publicity through radio, television and newspapers within the country and abroad, preparation of background material for use of film producers, authors and writers, maintenance of technical library of books, tapes, films. slides and other material useful for publicity, appointment and commissioning of Indian and foreign experts for production of material, production and purchase of films, distribution, instructions for despatch of publicity material, supply of literature and material to overseas officers, supply of requirements by IAC, Air India and travel trade for use in countries not covered by overseas officers of the Department, all matters connected with despatch of materials through railways, ships and Airlines, appointment of shipping and carrying contractors. ato ite

operation of franking machine and all matters connected with packaging and forwarding, receipt of stocks of material, verification of balances, accounting for losses and excesses, disposal of absolute literature.

(b) Research and Documentation

- Documentation pertaining to results achieved by hospitality programmes, critical appraisal of the results, recommendations as to future programme or hospitality.
- (c) Conferences

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Organisation and conducting of meetings of the Tourism Development Council, participation in meetings and conferences pertaining to tourism within the country, participation in international conferences meetings other than training programmes, development of programmes for conducting conferences within the country, matters pertaining to development of conference facilities and services, liaison with organisations within the country and outside to encourage conferences being held in India. drawing up programmes for maximum utilisation of existing facilities and new facilities, regulating programmes of conferences to suit different parts of the country and different parts of the year.

(vi) Tourist, Recreations and Entertainment Division

Development of wild life tourism, assistance to national parks and game sanctuaries in procurement of equipment etc., assistance to accommodation and travel trade Visions in putting up accommodation and establishing transport services for wild life viewing and photography, liaison with State Government for preservation of wild life, game framing, generation of training schemes for implementation through Director of Training, Development of fishing sport and other special sports like mountaineering, trekking and hiking, sailing, golf, assistance to sports clubs to enable them to make available facilities to tourists, assistance to sports clubs for organising international sports events like International golf championships, polo championships, flying competitions etc., liaison with specialised clubs abroad etc.

Entertainment:

Organisation of Indian entertainment in hotels, clubs and other areas for enjoyment of tourists, Son et Lumiere.

(vii) Administration, Finance and Coordination Division

(a) Administration

House-keeping, O&M, vigilance, central registry, administration and establishment matters, personnel matters.

(b) Finance and Budget

Annual budget and revision thereof, distribution of budget, cash and accounts, maintenance of accounts for each division and assistance in release of funds, disbursements etc., budget of tourist offices in India and abroad, headquarters expenditure.

(c) Coordination

Progress of plan expenditure, servicing of the task force, coordination in Parliament work, introduction of Hindi, internal staff meetings.

(ii) Overseas Tourist Offices

13.3. The Overseas Tourist Offices form a direct link between the Department and the Travel Trade. Their functions include handling of enquiries, dissemination of accurate information, advertising, publicity, public relations with the Press and the travel trade, and supply of information to the Department about current trends in tourism in the areas of their jurisdiction.

13.4. There are now, in all, 15 overseas offices covering the following areas:

1. 2. 3. 4. 5.	New York San Francisco Chicago sub-office Mexico Toronto		Covers USA, Latin America, Canada and Carribean Islands. Covers U.K. & Eire.
6.	London		Covers U.K. & Eire.
7. 8. 9. 10. 11. 12.	Geneva Paris Frankfurt Brussels Stockholm Milan	· · · ·	 Covers continental Europe.
13.	Sydney		Covers Australia, New Zealand and Fiji Islands.
14.	Tokyo		Covers Japan, Philippines, Hong Kong.
15.	Singapore		Under the guidance of Tokyo Office— covers Singapore, Malaysia and Thailand.

Enquiries			India			Abroad		
	·		1969	1970	1971	1969	1970	1971
Postal · Personal	•	•	10,421 3,74,604	9,599 5,23,261	63,946 7,88,700	77 ,22 7 70,281	88,497 51,661	1,16,284 60,264

13.5. The total number of enquiries handled by tourist offices at home and abroad during 1969 to 1971 were:

13.6. It has been stated that out of the 15 Overseas Offices, 12 in Europe, America and Canada are functioning under the arrangement of closer co-ordination between the Department of Tourism and Air India called the 'Operation Europe', 'Operation U.K.' and 'Operation America'. The remaining three offices at Tokyo, Singapore and Sydney are also proposed to be brought under the Operation Scheme, namely 'Operation East Asia' and 'Operation Australasia'.

13.7. The Committee enquired as to what was the basis on which the overseas offices had been established and how was the performance of these offices watched and assessed and whether there were any proposals of opening overseas offices at other centres and in other countries. In reply, Government have explained the position thus:

(i) The overseas tourist offices have been established to carry effective tourist promotional and publicity campaigns in the potentially rich countries to promote tourist traffic to The economic conditions of the country and the India Government restrictions on the spending of foreign exchange by the public of that country on tours abroad are also the important considerations, taken into account for this purpose. Besides, the tourist arrivals from the countries concerned also indicate us the potential of increasing traffic from there. The Tourist Offices established abroad from a direct link between the Department of Tourism and the Travel Trade. The function include handling of enquiries, dissemination of information, advertising, publicity, public relations, relations with the press and the Travel Trade, and supply of information tothe Department about current trends in tourism in theareas of their jurisdictions.

(ii) The Overseas Tourist Offices furnish periodical reports of their promotional activities to the Department. The performance of the Overseas Offices is, therefore, watched and assessed by the promotional activities carried on by them from time to time. They publicise India by advertising in the Press, through T.V. programmes, screening of films on India, participation in important fairs of the world. They also sponsor familiarisation tours of groups Writers Journalists, Photographers Film Producers anđ Travel Agents who on return to their countries publicise India through their media, ultimately resulting in increase in the tourist arrivals and foreign exchange earnings. The Tourist Arrivals during the years 1960 and last five years upto 1971 are given below:

Region			1960	1967	1968	1969	1970	1971
U.S A. •			27,174	43,041	41,721	52,836	58,793	54,982
Canada			[1,504	3,001	3,575	4,846	7,026	7,045
Central and S America	outh	•	1,159	1,870	2,405	3 ,9 89	5,099	3,441.
Western Europ	pe	•	33,008	57,540	64,812	88,352	10,426	[104,081
Eastern Europ	e.		4,099	4,162	4,424	6,822	6,501	7,912
Africa	•	•	14,389	11,778	8,602	12,574	14,739	24,716
West Asia		•	6,771	8,261	6,948	9,457	12,170	12,648
East Asia	•	•	23,551	42,433	46,600	53,194	56,813	70,846
Australasia		•	2,440	7,479	9,733	12,546	14,089	13,931
Stateless			••			108	155	1,393
Total		•	123,095	179,565	188,820	244,724	280,821	300,995

The decline in the Tourist Arrivals from U.S.A., Central & South America, Western Europe and Australasia during 1971 was due to the abnormal conditions in the Indian Sub-continent and the Indo-Pakistan conflict.

- (iii) (a) A Tourist Office has been opened at Vienna under arrangement of 'Operation Europe'.
- (b) With a view to strengthening our existing Tourist Organisation in the U.S.A., Tourist Promotion officers have been posted at Boston, Washington, Detroit, Miami and Seattle to sell tourism by personal contacts with travel agents, tour operators and other agencies engaged in the promotion of tourism. They have not to establish any separate Office.
- (c) On the basis of an on-the-spot-survey made by our Regional Director at New York, there is a proposal to close down the existing office at Mexico and post a Tourist Promotion Officer at Dallas (Texas) to work in the adjoining areas which have tourist potential. It was also proposed to appoint a Director (Tourism) for South America to carry on the Tourist Promotional work in the South America. Both the above proposals are under consideration."

13.8. The Committee note that tourism today is the world's largest industry. It involves movement of millions of people from one end of the world to another. It has a business worth U.S. \$2200 millions. Considering the vastness of this business and its potential it is necessary that India should endeavour to have a respectable place on the tourism map of the world. The Committee, therefore, consider the establishment of 15 overseas tourist offices located in New York, San Fransisco. Chicago, London, Geneva. Paris, Frankfurt, Brussels, Stockholm, Milan, Tokyo, Sydney, Toronto, Mexico city and Singapore as a step in the right direction. The Committee note that the functions of the overseas tourist offices include handling of enquiries, dissemination of accurate information, advertising, publicity, public relations with the press and the travel trade and supply of information to the Department of Tourism at the Headquarters, about current trends in tourism in the areas of their jurisdiction. The Committee further note that overseas Tourist Offices also publicise India by advertising in the Press, through T.V. programmes, screening of films on India. These Offices also sponsor familiarisation tours of group writers journalists, Photographers Film Producers and Travel Agents who on return to their countries publicise India through their media, ultimately resulting in increase in the tourist arrivals and foreign exchange earnings. The Committee would stress that the performance of each of the offices should be reviewed and assessed at stated intervals to make

sure that these are subserving effectively the objective with which they have been set up and in the light of experience evolved, criteria and guidelines for setting up new offices as per a perspective plan to be drawn up in that behalf.

(iii) Tourist Offices in India

13.9. The Central Department of Tourism has 11 Tourist Offices in India, 4 of which are at major ports of entry in Delhi, Bombay, Calcutta and Madras and the remaining 7 sub-offices are functioning at focal points of tourist interest in Agra, Aurangabad, Varanasi, Cochin, Khajuraho, Jaipur and Jammu. It has already been decided to open a Tourist Office in Srinagar which is expected to start functioning shortly. The Tourist Offices in India furnish information to the tourists regarding travel and tourist attractions in India and render assistance of non-financial nature to them. These offices help the Department in exercising some measure of control over various segments of travel trade and try to ensure that the foreign tourists get various services at reasonable cost and are not inconvenient in any way during their period of stav in India

(iv) Tourist Offices in various States

13.10. The following States have set up separate Tourist Departments:—

- 1. Andhra Prædesh
- 2. Assam
- 3. Bihar
- 4. Goa, Daman & Diu
- 5. Haryana
- 6. Jammu & Kashmir
- 7. Kerala
- 8. Madhya Pradesh
- 9. Maharashtra
- 10. Mysore
- 11. Meghalaya
- 12. Orissa
- 13. Punjab
- 14. Rajasthan
- 15. Tamil Nadu

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16. Uttar Pradesh

17. West Bengal.

13.11. The Department of Tourism have stated that all the State Governments have been advised to set up full-fledged separate Tourist Departments and a resolution to that effect has been adopted at the 15th Meeting of the Tourist Department Council held at Panaji, Goa during October, 1972.

13.12. It is noticed that State Governments have their own Tourist Offices at various places in the respective States. Similarly, Government of India, Department of Tourism have also set up 11 fullfiedged Tourists Offices at Delhi, Bombay, Calcutta, Madras, Agra, Aurangabad, Varanasi, Cochin, Khajuraho, Jaipur, and Jammu. Central Tourist Office at Srinagar is also proposed to be set up shortly. Some of the Central Tourist Offices at places like Darjeeling, Ootacummund, Bhopal, Bangalore, Bhubaneshwar, Simla had been closed down. The Committee enquired as to what exactly was the criteria for opening these Central Tourist Offices at various places and what exactly was the demarcation of functions between these two sets of tourist offices. In reply, Government have explained the position as follows:—

- (i) "A spectacular attraction, comparative assessibility, existing tourist traffic and potential for attracting such traffic are the basic criteria for opening the Central Government Tourist Offices at various places. Our tourist offices are primarily information and reception offices and the amount of traffic at any place is an important factor in determining the starting of the tourist office. The tourist offices at places like Darjeeling, Ooty, Simla etc. were closed down because the traffic there was identified at primarily indigenous traffic *i.e.* within the country."
- (ii) "While the Central Government Tourist Offices cater mainly to the needs of foreign tourists, the State Government Tourist Offices cater to the needs of the home tourists. The State Government Tourist Offices also look after the tourist bungalows, which function at the various tourist centres under the control of the respective State Governments. Both the offices of the State and Central Government, wheresoever they exist, in the same cities as at Agra, Banaras or Jaipur, function as complementary to each other rather than in conflict. Since these offices are only information and reception offices for rendering

assistance, help, guidance to tourists, there are hardly any occasions of duplication, conflict or even overlapping."

The Additional Director General of Tourism informed the Committee thus during evidence:

"We have had some time this criticism where the Central Department has office there is the office of the State. There is possibility of overlap. But our approach to this problem has been this way. While the State Department maintains its offices to promote tourism within the State from the Department of Tourist we afford services which are meant for the whole country. Our publications are in different European languages. Therefore, there is no question of duplication of our efforts. We have since closed many offices like in Simla etc. where the State Government organised its own departments."

13.13. The Committee note that the Department of Tourism have set up 11 full-fledged Tourist Offices at Delhi, Bombay, Calcutta, Madras, Agra, Aurangabad, Varanasi, Cochin, Khajuraho, Jaipur and Jammu. A Central Tourist Office was also proposed to be set up shortly at Srinagar. Some of the Central Tourist Offices at places like Darjeeling, Ootacummand, Bhopal, Bangalore, Bhubaneshwar, Simla had been closed down. The Committee also note that 17 State Governments had also set up Tourists Departments in their States besides setting up Tourist Bureaus, Information Offices at important places of tourist interests in their States. The Committee note that while the Central Tourist Offices cater mainly to the needs of foreign tourists, the State Government Tourist Offices cater to the needs of home tourists and function under the control of the respective State Governments. Since the promotion of tourism was a joint venture in which a number of agencies were involved, the Committee would stress that offices of the State and Central Governments wherever they exist in the same cities should function as complementary to each other. The Committee feel that much more co-ordination and cohesion was needed in the functioning of these two sets of offices.

13.14. In a note submitted to the Estimates Committee (1969) in regard to the organisational structure, the Department of Tourism had stated:---

"It is the considered view of the Department that the present organisational set-up has in the past decade proved that it is not properly equipped to handle an area as potentially vital to the national economy as tourism. The question of reorganising the structure has been discussed in many aspects without finding a really satisfactory formula. However, as the commercial aspects seem to have predominant priority, the India Tourism Department Corporation has been completely reoriented and so organised as to ensure that progressively the overall purely commercial aspects show a profit.

The promotional side has benefitted from this reorganisation but as the operations are not directly profit-giving, the Department finds itself as a subordinate office, sandwiched between the Secretariat aspect in the Ministry and the Finance side through the Financial Adviser. Various aspects are being considered to give the whole operation greater independence and bring to it the type of commercial orientation it should have in terms of commercial development and selling of India as a tourist centre and a tourist destination. Simultaneously, it is desired to involve, to a greater measure, the commercial elements who benefit most directly from tourism such as hotels, travel agents, transport operators, etc.; with this in mind, some sort of a cess on their turnover provides potential additional funds to the sadly inadequate resources now at the disposal of the department."

13.15. The Estimates Committee (1969) while examining this problem came to the conclusion that the present organisational setup of the Department was not attuned to developing tourism. It felt that "an effective and efficient Central Organisation has to be set up to create a strong tourism consciousness at all levels of administration and to formulate well-thought-out proposals and policies for the development of tourism in the country with proper coordination and liaison between the central tourist organisation, the State tourist organisation and the business community involved."

13.16. The Institute of Public Administration in its report on the Organisation and Management Survey of the Department of Tourism (July 1970) has stated that as a result of their study of the present structure, methods and procedures, they are in full agreement with the conclusions of the Estimates Committee. What is needed is:—

(i) "A single organisation, a national tourist authority primarily designed for marketing and sales approach which will both sell its 'product' in the world market, and provide competition through vigorous incentives such as

tax rebates, loans and grants etc., to travel trade and⁷ travel agencies. It should ensure proper servicing of the tourist industry by locating field offices strategically where there is maximum tourist traffic and by co-ordinating activities with State Governments."

(ii) "The present departmental set-up with all its bureaucratic rules, procedures, and financial constraints clearly does not permit initiative in undertaking the dynamic promotional activities..., and putting India tourism on the world map. The organisational structure should combine the flexibility of a commercial organisation with the legal authority of Government for regulating the tourist industry and ensuring co-operation of other central departments, State Governments and local administration."

13.17. In this connection, the Indian Institute of Public Administration examined the various types of organisations such as the Corporation, the Commission and the Board which could adequately answer to the organisational needs. The Study Team also reviewed the structure of tourism organisations in other countries and consulted the Director General. Irish Tourist Board on this problem. The Team also examined the existing Government of India organisations that might be adapted to the needs of tourism. In their report, the Indian Institute of Public Administration has presented two quite different models for a reorganised tourism organisation. The first is an organisation which would be set up in the public sector. The second was a proposed reorganisation of the Department to enable it to perform more aggressively its functions. The I.I.P.A. has termed the first "A Public Sector Model" and the second "A Model for Reorganisation." The salient features of both the Models are stated below:-----

I. A Public Sector Model

"A Study Team brought to India Mr. T.J.O.'Driscoll, Director General of the Irish Tourist Board. After examining the present organisation, he recommended the creation of a new public sector undertaking the non-commercial functions of which would be funded through Government appropriations. His proposal is summarized here:

(i) The Minister of Tourism and Civil Aviation would have control of the new tourism body through his power to nominate the members of its Board of Directors and the review of its budgets. The Minister would also review tourism activities for conformity with general government policy, making representations to other Departments on tourism matters, review annual reports on tourism and appraise the effectiveness of tourism programmes. A small cell would assist the Minister in these matters but it would not in any way be a supervising unit.

- (ii) The functions of the present Department of Tourism and the India Tourist Department Corporation would be transferred to a new India Tourism Board, headed by a fulltime Chairman-cum-Chief Executive. The Board would have 5 part-time members who would weigh, assess and discuss the matters brought before them and fomulate policy. The Chairman-cum-Chief Executive would keep the Minister informed about the Board's policies and objectives so as to assure him of their conformity with overall government policy.
- (iii) Full executive responsibility for the operation of the staff and programmes of the India Tourism Board would be placed in the Chairman/Chief Executive. Non-commercial programmes related to the promotion of tourism would be placed under one General Manager and commercial aspects under a second General Manager: both reporting to the Chief Executive."

II. A Model for Reorganisation

13.18. "Considering that the concept of an India Tourism Board as a public sector undertaking had considerable merit, the Study "Team also looked into the feasibility of establishing such an organisation within the Government. The Team closely examined two Government organisations which have been given statutory powers *viz.*, the Railway Board and the Atomic Energy Commission set up under the Indian Railway Board Act, 1905 and the Atomic Energy Act, 1948 respectively. A brief overview of their structure, functions and powers is given below.

I. Railway Board

(i) The Railway Board functions as a Ministry of the Government of India and exercises all the powers of the Central Government in respect of regulation, construction, maintenance, and operation of Railways. The Railway Board also exercises full powers of the Government of India in regard to railway expenditure. In addition, the Railway Board has a wide range of powers in establishment and other matters as provided for in the various Indian Railway Codes. In its organisation, therefore, the Railway Board is selfcontained in all matters, including financial, and does its own recruitment, but its pay structure lacks flexibility.

(a) Chairman, Railway Board

The Chairman, Railway Board is responsible under the Railway Minister for arriving at decisions on technical questions and advising the Government of India on matters of Railway policy. All policy and other important matters are put up to the Minister through him. He has the status of a Principal Secretary to the Government of India and has the power to over-rule the other members of the Board except the Financial Commissioner in matters of finance. The latter has the right to ask a disputed financial matter be referred to the Railway Minister, and if necessary, to draw the attention of the Finance Minister to it.

(b) Members of the Railway Board

The Members of the Railway Board function as *ex-officio* Secretaries to the Government of India and are responsible for dealing with all aspects of the technical functions, under their charges. Where a question impinges on the functions of another Member, his concurrence is necessary before orders are issued.

II. Atomic Energy Commission

(i) "The Atomic Energy Commission functions through the Department of Atomic Energy which was created with effect from August 3, 1954 and was charged solely with the development of Atomic Energy. The Atomic Energy Commission was reconstructed in March, 1958 with full authority to plan and implement its programmes on sound technical and economic principles. It was freed from essential restrictions and rules and given full powers of the Government of India both administrative and financial within the limits of the budget provisions allocated by the Parliament. In view of the fact that the Commission requires highly skilled and professional staff for its special nature of work, it is freed from the usual governmental rules and procedures for recruitment of its personnel through the U.P.S.C., and has great flexibility in fixing pay scales and promotions."

(ii) "The orders for reconstitution of the Atomic Energy Commission provided that (a) The Commission shall consist of both full-258 LS-17 time and part-time members, the total number of whom shall not. be less than three and not more than seven; (b) The Secretary to the Government of India in the Department of Atomic Energy shall another fullbe the ex-officio Chairman of the Commission; (c) time member of the Commission shall be the Member for Finance. and Administration, who shall also be ex-officio Secretary to the Government of India in the Department of Atomic Energy in financial matters; and (d) The Director of the Atomic Energy Establishment, Trombay, shall be third ex-officio full-time member in-charge of research and development.' The Atomic Energy Commission now formulates policy of the Department of Atomic Energy but all recommendations are put up to the Prime Minister through the Chairman who has the power to override the other members of the Commission. The Commission is responsible for preparing the Budget of the Department and for the implementation of Government's atomic energy policy. However, the Chairman of the Atomic Energy Commission in his capacity as Secretary to the Government of India in the Department of Atomic Energy, is responsible for arriving at decisions on technical questions."

Pros and Cons

13.19. (i) The Railway Board and the Atomic Energy Commission as Government enterprises establish important precedents. To both, full powers of Government are delegated for programmes and financial matters. In both, Parliamentary control is exercised through a Minister. Thus considerable freedom for quick decisions and rapid implementation is provided, to these organisations with, however, full accountability to Government and Parliament. On the other hand, a public sector undertaking is one step further removed from positive, direct control. It has the same freedoms but in addition is in theory at least more independent in day-to-day operations and in planning pricing policies, staffing, and the like.

(ii) Constitutionally, a perusal of the Union, State and Concurrent List clearly indicated that while foreign tourist is subjected to the jurisdiction of the Union Government, facilities and services are largely subject to regulations and taxes of the State. Thus the Central Tourism Organisation faces problems peculiar to itself. those not found in public sector corporations. Its operations specially those relating to development and control must be achieved with help and co-operation of other Ministries and departments at the centre and in the States. For example, foreign tourists must be dealt with as special guests by customs officers, immigration officials, airlines employees, railways employees and many others. Tourists

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will use a variety of facilities operated or built by such diverse organisations as State Governments, Archaeological Survey of India, P.W.D. and private companies. Their visas will be issued by the Department of External Affairs and their movements in India will be governed by the Ministry of Home Affairs and States. In short, the objectives of tourism require immediate and frequent relationships with State Governments and other Central Ministries and Departments that are far more extensive than would be found in a public sector corporation. The Study Team concludes that the national Tourism Agency must remain with Government.

Commission or Board

13.20. In the light of recommendations of the Estimates Committee that tourism be operated with the freedom of a commercial organisation and the Study Team's recommendation that the functions remain with Government, the question arises as to whether new organisation needs a board or commission, whether the members should be Government officers or not, and what their functions should be. The Railway Board's members are full-time Government officers and those of the Atomic Energy Commission are both part-time and full-time. Each is concerned with both policy development and day-to-day operations. Therefore, in drawing up its recommendations on the proposed restructuring of the Department of Tourism, the Study Team has drawn lessons from the working of these two governmental organisations in the context of the working of autonomous tourist organisations in other countries allowing for the special exigencies of India's federal structure and the anamolous constitutional position of Tourism which is under central jurisdiction but in which local operational authority also vests in the States.

Recommended Organisation

13.21. "If Government wishes to base its final decisions on the existing model, the Study Team would favour the continuance of India's Tourist Organisation as part of Government, and not become a public sector body because of the duality of the organisations role. It is predominantly highly competitive in its promotional and sales role but simultaneously substantially dependent on Government authority in its task of developing the infra-structure and providing facilities for tourist. However, tourism would appear to provide the Government with such a challenging task that it should be possible to apply broadly the structure of the two largely independent organisations, the Railway Board and the Atomic Energy Commission, to the recommendation of the Estimates Committee that

Tourism be operated with the freedom of a commercial organisation. This can be done by creating an independent tourism organisation and providing that while it has the autonomy of operation, its Chief Executive would retain the rank of Secretary in the Ministry of Tourism and Civil Aviation to handle co-ordination with Ministries of the Government of India and with State Governments, ensuring thereby that the incumbent has both sufficient flexibility, and the authority vested in him by virtue of his having ex-officio status of Secretary to Government.

The Study Team recommends that the National Tourist Organisation be named India Tourist Authority headed by one man—The Chairman-cum-Chief Executive (Ex-officio Secretary of Tourism). This measure will permit quick decisions, fix responsibility for action and approximate the flexibility of commercial organisation. If necessary the India Tourism Authority may be clothed with statutory powers.

(i) Chairman-cum-Chief Executive

For the post of the Chairman-cum-Chief Executive the Government should obtain the services of a person with top professional competence and should pay what is required to get such a person on competitive commercial salary. We recommend that Government-select for the post an officer who is known to be dynamic, innovative, creative and imaginative. He should have had successful experience in supervising professional and technical staff and have demonstrated capacity to stimulate high quality performance. He should have the willingness to delegate responsibility to his subordinates. Preferably, he should have at some time travelledabroad and lived in a developed country. We recommend that the Chairman report to the Minister of Tourism and Civil Aviation and advise him on important tourism policies.

We recommend that the India Tourism Authority must develop and be run on modern commercial lines with full responsibility placed on the Chairman for supervision, direction and performance of the Staff of the Tourism Authority. He should be the responsibility for immediate and long range planning, for organising the programmes and work, for staffing, for coordination within and without, for preparing budgets, for drafting reports, for maintaining controls, subject to Ministerial direction and Government policies. The Chairman as the Chief Executive would head an executive team of 3 or 4 top professionals of proven competence in tourism and allied fields, providing collective wisdom to the organisation.

(ii) Finance

We recommend that the post of Financial Controller/General Manager, Finance, Personnel and General Services be created in the new India Tourism Authority and that he report directly to the Chairman. In the present stage of the development of tourism, the role of the Financial Adviser assumes great importance. Like the Atomic Energy Commission, it would be desirable to establish the system of internal Financial Adviser who as a financial expert would be directly accountable to the Chief Executive with no direct access to any external governmental body. The General Manager, Finance, Personnel and General Services should be a man committed to the organisation and its programmes and not function as an agent of some other organisation performing the role of a faultfinder. The present system dilutes the authority of the Chief Executive and leads to unnecessary irritations, delay in the execution of programme, hesitation in taking decisions and getting bogged down in the various financial rules and procedures, which is not conducive to obtaining the desired results, in fulfilment of the programme.

We further recommend that the General Manager, Finance, Personnel and General Services develop and seek approvals as necessary of delegations to the Chairman of the authority to authorise and make expenditure as budgeted, to change funds from one account to another within the total amount budgeted, to enter into contracts etc. for the fulfilment of all marketing promotional and development operations of Indian Tourism Authority."

II. Tourism Advisory Council

13.22. "The Chief Executive would succeed to the extent that he can get co-operation from many different groups in India, groups with which he can best work in a free partnership aimed at increasing tourism rather than a regulatory or licensing relationship. The Chief Executive would benefit therefore if he could develop a close relationship with experts from a wide variety of fields who could advise him on how tourism can be increased and advise the tourism trade on how they can best cooperate with Government to achieve common goals.

The Study Team recommends, therefore, that an advisory group called the India Tourism Council be established with the Chief Executive (ex-officio Secretary) as its Chairman. The Council would advise him on such matters as relations with the travel trade, foreign airlines, advertising agencies, hoteliers, foreign governments, and writers and publishers who reach potential visitors. They would advise on how best to create imaginative tourism programmes and how to select these to Government and private organisations in and outside India. The members of the India Tourism Council would bring to the Council special knowledge from different fields and carry back to these fields information about tourism programmes old and new to be of greatest value in promoting tourism.

The Study Team, therefore, recommends that the members of the India Tourism Council be chosen from a variety of fields, such as:

- .. the hotel industry.
- .. the travel trade.
- .. communication media (advertising, etc.)
- .. transportation companies (airlines, etc.).
- .. traders (curios, handicrafts, etc.)

Each should be selected for his knowledge of a field **re**lated to tourism and his reputation among others in his field. No member should, however, be a representative of an organisation or a field. To be a representative would limit the advice they could give. To serve as individuals will permit them to give promptly their opinions and suggestions without obtaining concurrence from others.

The Study Team recommends that members be appointed for three years overlapping terms, the duration of the terms of the first members to be determined by lot. Members would be appointed by Government on advice of the Chairman of the Authority. We would expect a convention to be established that the Chairman would propose to the Minister a panel of names of several persons for each vacancy to be filled. In preparing his proposals he would draw upon his knowledge of tourist industry and when necessary consult with office bearers of Hotel, Travel Trade and other organisations and knowledgeable persons to identify the persons capable of giving the advice needed.

We recommend that the Chairman be responsible for calling meetings of the India Tourism Council but that a convention be established that it will meet at least three or four times annually. The Chairman should be responsible for preparing the agenda for the meeting and may consult with his Members as to items of agenda they would like to have included. The Chairman may bring to the attention of the Council such things as:

- .. estimates of earned foreign exchange.
- .. major promotions.
- .. public relations programmes.
- .. special problems on which advice is needed.
- .. annual budgets.

The Council in advising the Chairman of these matters should comment on the adequacy of the proposals, their probable effects on tourism, the public relations problems that may arise and the strategies likely to be most successful etc.

The Commission and the ITDC

13.23. "The Indian Tourism Development Corporation, established on the first of October, 1966, undertakes to operate commercial tourist facilities such as the running of tourist bungalows, hotels, motels, and restaurants, luxury sight seeing coaches, Son-et-Lumiere, and other entertainment.

The Study Team has not gone into the detailed working and operations of the ITDC. However, it took the opportunity of discussing the broad working of the Corporation with its Managing Director. We feel that the separation of commercial aspects of Tourism in public sector corporation from the promotional aspects is logical and desirable. We recommend that this be continued and that from time to time the proposed India Tourism Authority be asked to advise on which Government ventures have profit-making possibilities and may, therefore, be transferred to the Corporation.

In view of the fact that India is still in the process of building an adequate infrastructure for tourist facilities in the coming years, it is desirable that initially some of the seemingly un-economic ventures having the potential of bringing in increased return in the later years, may not be looked at from a restricted profit-making point of view.

Although the Corporation should retain its separate status, there should be a close relationship constantly maintained between it and the India Tourism Authority. At present in matters like production of publicity material etc. there seems to be a split responsibility as pointed out by Dr. O'Driscol' in his report. In order to do away with such anamolies and to bring in greater coordination between the ITDC and the India Tourism Authority we recommend that the Chief Executive of the Authority (Ex-officio Secretary to the Government) be appointed as a part-time Chairman to ITDC. In this capacity, he would be responsible for such Corporation-related activities as parliamentary questions, reviews of requests for additional capital, long range plans, annual reports, advice on Government policy, issuance of directives, and coordination of Corporation activities within the Ministry and with other parts of Government."

13.24. The United Nations Development Programme Report (1970) has observed thus on the organisation problem facing the Department of Tourism:—

- "(i) Our finding is in summary that the institutional arrangements for the future of Indian tourism do require a change providing flexibility of procedures and staff recruitment, acceleration of decision and action, acceptance of selectivity and of risk-taking, technical competence."
- (ii) "Tourism permeates so many activities in the public and private sectors that it would be impossible to have a single Department or other body concerned with everything with which tourism is involved. This situation does make it all the more necessary that the Tourism Organisation should have a strong position in the middle of affairs and undertake the task not only of catalyst but of coordinating agency. Coordination we would visualise as the drawing up plans and targets for the various segments in consultation with the particular segment concerned, a communication to all the interests involved of the results and pressure then to be sustained to encourage conformity with the planning amended as may be necessary later. The over-riding problem of any national tourism organisation of wide powers is to keep in proper relationship between the development side and the marketing side. In India at the moment, development lags behind ideal of corporate planning is easily marketing. The stated but not so easily carried out yet it must be emphasised that every effort should be made to follow this method of organisation. Market strategy and development strategy go together to make up total or corporate strategy, which has been defined as 'Coordinated courses of action designed to optimise future benefits by advantageously deplying limited resources in the ever-changing

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environment against competition in pursuit of management goals and targets.' The advice of one of the Management Institutes in India or of a suitable independent firm might be envisaged to help on this approach which would cover the drawing up the national master plan."

(iii) "....The Authority and the resources of the National Tourism Organisation in India depends on the Government view of the importance of tourism to the national economy and particularly of tourism potential. The move from a tourism unit in the Ministry of Transport to a Ministry of Tourism with cabinet status is confirmation of the serious government interest in tourism. The real problem in Indian tourism at this stage we repeat is one of implementation and for this it is vital that there be an appropriate organisation. Apart from the organisation structure and constitutional status, the wide range of functions developing and prestige of the senior management of the national tourism organisation can be important factors in the effectiveness with which India puts through its tourism policy. There is no standard international form for a national tourism organisation and according to needs, emphasis may be on one or more activities—much depends on the state of a country's public and social organisations and on whatever activities are already the concern of central or local Government or other public or private bodies. To produce order and progress each national organisation must with insight and clarity identify its own job and must not merely copy the operation of others, This is why we read with deep interest the report on 'The Organisation and Management Survey of the Department of 'Tourism'. This was carried out by the Indian Institute of Public Administration. One of the members of the team did participate earlier as adviser on the broader aspects of the Survey. The Parliamentary Estimates Committee examining the problem came to the conclusion that the present organisational set up of the Department was not attuned to developing tourism. The study carried out by the Institute confirmstandard government department ed this view. The manned by the admirable civil service is attuned to administration and regulation and less so to positive and dynamic management with programming involving risk taking. The world tourism market is growing rapidly in competitiveness and a tourism organisation to be a successful one has got to have established among its staff an acceptance of certain elements which are not required nor perhaps desirable in a Government Department."

- (iv) "Tourism by nature is somewhat different from other sectors of the economic since it is an industry based on movement of people rather than of goods. For this reason it is particularly susceptible to subjective considerations quite apart from the play of economic forces. It is essential, therefore, that the tourism industry should be as flexible as possible to be able to adapt to changing conditions and requirements. Tourism because of its particular structure with a large number of small units covering a wide variety of different service trades is an industry that puts an unusual strain on the administrative machine of any Government seeking to promote and guide its developments."
- (v) "A government department in essence may not be discriminatory. In tourist promotion, it is necessary to be selective, to build a strength rather than on weakness. In this position, a Government Department is handicapped by the political and local pressures that may be brought to bear on it. In withstanding such pressure it is consolatory to state that areas which are relatively undeveloped in the broad national sense economically are areas which are most likely to benefit from the promotion of tourism."
- (vi) "Tourism is becoming increasingly a matter for professionals and employment of professions in the Government service can give rise to difficulties. There are many procedures which are probably required in Government service by the very reason of its nature but these are time consuming and are opposed to the concept of an effective tourist organisation disposing of its decisions quickly."
- (vii) "Relativity of salaries is a general requirement but it is unavoidable for the efficiency of an activity like tourism that there be departures from this principle in the employment certainly of key personnel. Such departures are not tolerable in the civil service as they set up widespread repercussions."
- (viii) "Tourism is a cooperative business. Success depends on the close working relationship of the central organisation

with carriers, shippers, travel agents, tour promoters, hoteliers, recreational enterprises and so on. Experience shows that the building up of representative bodies in the various sectors of tourism can in the long term be a considerable aid to the proper development and promotion of tourism. Such bodies should be aided by the National Tourist Organisation with finance and other help at the beginning or to enable them to undertake a reorganisation. Such representative organisations can act as a well-meaning discipline on the National Tourist Organisation which itself will reach a higher degree of competence and achievement by involving the representative bodies and its activities and decisions rather than by operating by edict. This working relationship of cooperation would have of course to be spread through the States and other levels in the field and of course we realise that this is much easier said than done. It does need to be done. We came across various examples of the non-existence of this cooperation. The central organisation must be able to move at the same speed as the private sector organisation. Risks have got to be taken in this kind of activity and the test of success of the organisation must be on its overall performance. Isolated case where mistakes have been made should not be allowed to take an undue share of attention."

- (ix) "Our emphasis on the need for India to make its organisation relevant to the Indian context led us to be predisposed towards the ultimate findings of the Institute of Public Administration. We agree with the summing up of the survey that "the organisational structure should combine the flexiblity of a commercial organisation with the legal authority of Government for regulating the tourist industry and ensuring cooperation and local administration"."
 - (x) "In seeking a new tourism body we considered the merits of a public sector undertaking, the strengthening of the Department of Tourism, a purely regulatory Department with other activity transferred or a new independent institution but remaining within Government."

Establishment of Indian Tourist Commission suggested

(xi) "Our recommendation is that there be established an Indian Tourist Commission absorbing the present

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Department of Tourism and the Indian Tourist Development Corporation. We lean to the Commission rather than a statutory authority because the former can be quickly set up by the Government. A statute may be drawn up after some years should the Government so desire. The experience of the workings of the Commission would be of benefit in drafting the legislation later."

- (xii) "We feel that since the objectives of tourism requirewith State Governments and with other central ministries and departments immediate and frequent relationships far more extensive than could exist in a public sector operation the national tourist agency should remain with Government. We favour a distinctively Indian solution in the creation of an independent tourism organisation with its Chief Executive holding the ex-officio status of Sec-Government. We interpret that as meaning retary to that a business man appointed to the Chief Executive post would have no right to become a Secretary in the Civil Service and that a Civil Servant appointed would sever his connection with the civil service apart from the rank. The status would be Secretary of a Ministry but without his being actually in charge of a Ministry."
 - (xiii) "We note that the IIPA Survey Team favoured for the appointment of a full time executive Chairman or the organisation they recommended rather than of a part time Chairman and a whole time Managing Director as Chief Executive. There are arguments for either procedure and we would be guided by the superior knowledge and experience of the Survey Team of India conditions."
 - (xiv) "As regards the number of full time members of the Commission there could be just one—the Chairman; certainly we feel there should not be more than three. There should also be part-time members. The whole group of say five or seven would equate with a Board of Directors. Their function would be to deliberate, to weigh, assess and discuss the facts of the situation and to formulate policy. The combined wisdom and experience of a broadly based Board can be of considerable assistance to the Chief Executive in his task. The members of the Board should be selected from the various fields covering the wide spectrum of tourism in an individual and not in a representative capacity. This could be done-

by the appropriate associations each nominating say a panel of three people in a personal capacity from whom the minister would select one for the Board. The selection of Chairman Chief Executive with qualities as defined in the IIPA Report would lie with the Government. The Commission members would require to be given such information by the Executives as would (1) enable it to act correctly in those matters the performance of which it has reserved to itself or which had been specifically reserved to it by the governing Resolution or Act; (2) enable it to evaluate performance by the Executive and to advise or instruct the Executive as to further action which it requires them to take; (3) appraise it of emerging situations and circumstances to afford it early opportunity for appraisal and revision of policies in the light of new developments."

- (xv) "The absorption of the Department of Tourism into the Indian Tourism Commission would require in the Ministry only a low level secretariat cell which would serve the Minister and Secretary in dealing with such matters as the appointment of the Commission members, securing of budget, responsibility for the conformity of the tourist operation with general government policy, intervention where desirable in representations to other Departments, the receipt of an Annual Report and appraisal of the Commission's performance on the basis of this Report. 'People should be judged by results after they were given clearcut objectives to follow.' (Nehru)."
 - (xvi) "A vital factor in the new Commission is that financial control should lie internally and not be held by an external governmental body. The officer responsible should be accountable to the Chief Executive....".
 - (xvii) "The India Tourist Development Corporation was established in 1964. The question might well be asked if it was not now in existence would be created now against the background of considerable progress since that date in the private sector particularly on the accommodation and travel agency fields. We have earlier adverted to the relationship of public sector and private sector and the need for a more clear definition. We are influenced very much of course by our understanding of national policy in this regard. There is no question that there is need for

frequent and informal as well as formal contacts between the public and private sectors to ensure harmonious collaboration on the practical problems involved in making a tourism programme into a profitable business. With the emergence of the concept of an Indian Tourism Commission, remaining with Government, we would prefer to see the Tourist Development Corporation absorbed into that new institution, as an operational arm."

- (xviii) "The ITDC is instrument of national an tourism policy. Since the new Commission is to be the overall instrument of national (central) tourism policy, the ITDC should be part of it. This is logical and practical and secures convergence rather than divergence. We would recommend that the Commission with its operational arm should follow three basic policy lines; (1) to complete as rapidly as possible the programme of activity the ITDC has announced up to this point; (2) to undertake in future the provision of amenities and facilities of a developmental or pioneering character which private enterprise is not appropriate or not willing to provide even with the grant of certain incentives by the Government; (3) to set a deadline for the whole of the industry by achieving the highest and most efficient standards of operation. In measuring the effectiveness of the operation arm, the vardstick should be return not in direct profit alone but should include the indirect and wider regional or national benefits."
- (xix) "It was pointed out to us that another public sector undertaking Air India had entered into the hotel field. This is of course a developing characteristic among most international airlines and is directly related to the urge of the airline management to ensure facilities for the expansion of their airline traffic. We would not regard it as being contrary or opposed to the recommendations we have just made. Around the world in the next five years the number of new hotel rooms initiated and wholly or partly financed by airlines will at least be doubled. Their efforts may add up to 100,000 new 'beds'."
 - (xx) "We were impressed by the recommendation in the Public Administration Institute's Survey for the setting up of the post of Financial Controller as part of top management. This unit should play an equal part at least with

the production and marketing sides in integrating programmes for action. Its particular responsibility would be providing authoritative independent advice on the proposals emerging from the production and marketing units. A control function in this sense is in the case of national tourist organisations found essential when size and complexity of the operations show up the need for it. It is a far-sighted and praiseworthy recommendation that it should be introduced at this stage in the Commission. With terms of reference developed along these lines the activity of the Financial Controller would be distinctively positive and not confined to safeguarding financial accountability. The recommendations of the Public Administration Institute survey otherwise are in general endorsed by the Team. They include a great deal of detail into which we have not ben able to go."

(xxi) "The position of staffs in the Department of Tourism and the ITDC is something which we regard as an outstandingly important factor to be taken into account in the establishment of the ITDC. We believe it essential that for the future the tourism service should provide a fully satisfying and equitably remunerated career. The time available to us has meant that we can state only principles and suggest subject to Indian decision the use if considered desirable of the advisory service. The principles other than those we stated earlier in this paragraph, to be favourably considered are the recognition of the national importance of tourism by constituting an all India service but with a due proportion of recruitment from cutside to set and maintain the highest standards of general management and of specialisation. Promotion normally should be from within the service. Remuneration should be set at new levels respecting the qualifications required and the job responsibilities: allowances should be realistic in relation to demands made on individuals."

13.25. From what has been narrated above, it is seen that the United Nations Development Programme (U.N.D.P.) in its report on 'India Tourism' recommended the establishment of Indian Tourist Commission absorbing the present Department of Tourism and the Indian Tourist Development Corporation. Similarly, the Report of the Indian Institute of Public Administration on "the Organisation"

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and Management Survey of the Department of Tourism' recommended that the National Tourist Organisation be named 'India Tourism Authority'. The Committee enquired as to what thought had been bestowed by the Government on the recommendation of the UNDP Team and that of the Indian Institute of Public Administration. In reply, the Government have explained the position thus:

> "The question of setting up a single Tourist Authority was considered by the Government on the recommendations of the Indian Institute of Public Administration and the U.N.D.P. study team. On careful consideration, the Government did not accept the necessity of the creation of a Tourism Authority. However, the Government did set up a National Tourism Board under the Chairmanship of the Minister of Tourism and Civil Aviation. The main functions of the Board are to advise the Minister of Tourism and Civil Aviation on matters relating to the improvement of Tourism infra-structure in all its aspects and to suggest ways to co-ordinate the Tourism Schemes and activities in the Public and Private Sectors."

13.26. Regarding the establishment of single authority for Tourism, the Secretary, Ministry of Tourism and Civil Aviation explained the position, during evidence, thus:—

> "On the constitution of a single authority to tackle all matters of tourism, there were some recommendations made. One of the studies taken was by the Indian Institute of Public Administration. Similarly, there was another recommendation from a team. When this matter was taken by the Government it was felt that constitution of a single authority of this nature outside the ranks of Government may not result in any good, while the Central Government in its various agencies will be able to co-ordinate activities with the Planning Commission and with the State Governments. An independent authority, however, geared up to take up implementation of certain things may not be able to take up with that degree of persuasion as co-ordinated activity with all the agencies of the State Governments as well as the Central Government and that authority necessarily would have to vest in a Department of the Central Government and that no change was really called for. This matter was given considerable thought and then given up."

13.27. Touching upon the point as to how far the present organisational set up of the Department of Tourism was attuned to developing tourism in the country, the Secretary, Ministry of Tourism .and Civil Aviation stated during evidence:

> "The present set-up of the Department is satisfactory and there is no reason to believe that under this, the Department cannot function smoothly and adequately. Tourism requires an organisation which can take quick action in policy-making and execution and our Department has both the functions. Since the Director-General is also an exofficio Additional Secretary and the Additional Director General, an ex-officio Joint Secretary, there is not much need for proposals to go to the Ministry proper unless they feel the cases requires policy decisions at higher levels. This helps the departments functioning and we do not believe that the set-up is not adequate. The present status of the Department has not hampered its independent functioning in any way."

13.28. As regards the changes that they would like to have in the **present** structure of Department of Tourism, the Secretary stated **that** they felt that no real change was required. He added that the **D**epartment needed strengthening at various levels, perhaps on the planning side, some economists were required to be added. There was, however, no reason to believe that the Department should not **continue** as an attached office.

13.29. The Committee enquired what changes had been introduced in the organisational structure of the Department of Tourism to meet the requirements of the Fourth Five Year Plan and the Fifth Five Year Plan. In reply, the Government have explained the position thus:—

"(i) In 1971 certain structural changes were made in the organisation of the Department for the rationalisation of the work and with a view to speedy implementation of the Plan schemes. Under this structural changes, various Divisions were formed and each Division was entrusted with the work particularly suited to it, e.g. Accommodation Division was given not only the work pertaining to hotel accommodation but also for the implementation of the Plan schemes connected with the provision of accommodation. Similarly Travel Trade Division was given work connected with the Travel Trade as well as that of

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implementation of schemes concerning transportation. Another useful aspect of this distribution of work was that the processes involving planning & execution were separated and while on one hand officers in the Planning Division were left to deal with planning aspect of the work, on the other it ensured the participation of the personnelworking in other Divisions in work connected with Planning. As in this case, officers normally dealing with the subject were entrusted with the job of execution, it brought in a sort of specialisation and thus resulted in greater efficiency.

- (ii) Side by side with this internal reorganisation certain policy decisions were also taken in the matter of implementation of Plan schemes which had far-reaching effects. As Central PWD showed its inability to take up all the projects of the Department on immediate basis, I.T.D.C. and State P.W.Ds. were also involved in the matter of implementation of tourism schemes in the Central Sector. For schemes like youth hostels, rest houses in game sancturies, tourist bungalows at important centres and camp sites for tourist travelling by road, standard designs were got prepared by a firm of Private Architects and these were sent to the State Governments to put them in execution through their respective Public Works Departments. This on the one hand resulted in the expeditious execution of the project, on the other, because of the engagement of a reputed firm of architects, made available to the Department of Tourism excellent designs of the buildings. Government also took a decision to entrust some of the projects for execution to the Indian Tourism Development Corporation and this made possible the development of a major resort area like Kovalam, a joint venture of the Department where ITDC is the co-ordinating and executing agency, and certain other projects in a short period of time.
- (iii) As a result of these measures, the Department in the last two years of the Fourth Plan hopes to have a much better record of achievement than in the earlier threeyears.
- (iv) In 1969, a Director (Market Research) was appointed for the purpose of organising market surveys to help in the work of planning. In 1970 a Special Officer (Wild Life)

Tourism) was appointed for the development of Wild Life Tourism. An additional D.G. was also appointed in the same year to take over a part of the work of the D.G. to allow him to concentrate on matters effecting policy matters and planning. These appointments have contributed to a considerable extent in adding new dimensions to the work of the Department of Tourism.

(v) The need for further re-organisation and strengthening of the Department is kept under constant review in the light of the targets set and both study teams have recently completed inspection of the offices to assess work loads and requirements of staff."

13.30. The Committee note that tourism as a factor of international trade has reached such dimensions that in 1968 it earned \$14 billion, roughly twice that of the world's oil industry. A country like Italy with a long tourist tradition now earns roughly \$1.6 billion annually. In recent years, dramatic increases in tourist trafic have taken place in Spain, which now annually earns about \$1.3 billion. U.S.A. receives the largest earning from tourists, \$ 1.82 billion in 1967, with tourism as the second largest foreign exchange earner coming only after the export of cars at \$2.2 billion. Eire (population about 3 million) earned roughly $\pounds 100$ million sterling in 1969. In India, as has been demonstrated in other countries, tourism can also become a major source of foreign exchange. In 1969, arrival of 245,000 tourists, representing a 30 per cent increase over 1968, earned Rs. 33.11 crores. Based on the estimates calculated by the Indian Institute of Public Opinion with an average tourist now spending about Rs. 1360 here, India would earn Rs. 55 crores in foreign currency in 1973. The Committee, however, feel that India has not done as well as some other countries, to attract foreign visitors. While World tourist expenditure increased 24 per cent from 1958 to 1967. India's share in this fell from 0.67 per cent in 1958 to 0.24 per cent in 1967. On the other hand, countries like Yugoslavia and Greece between 1952-62 increased their share by about 900 per per cent. The Committee feel that a more pragmatic approach and a dynamic programme can win India its rightful place in the highly competitive World tourist market, a programme based on tourist satisfaction identified through market research, development of services and facilities to meet tourist wants, and sound marketing procedures. In this connection, the Committee note that in countries like Mexico and Spain tourism represents between 45 and 50 per cent of the total export earnings and even in the U.S.A. and U.K. earnings

from tourism stand second and fourth respectively in order of export earnings. The Committee, therefore, feel that in order that India occupies its rightful place in the world of tourism, the first premise for increased tourist traffic must necessarily be the creation of adequate tourist infra-structure in the country. In addition, the required targets can only be reached if the national tourist organisation has all the necessary resources, competent staff, adequate funds and the necessary freedom in operation.

13.31. In this connection, the Committee note that the estimates of the increase in tourism over the next decade are staggering. Air travel the world over has been growing on an average 13.5 per cent a year since 1961, according to IATA and the volume is expected to double by 1970, triple by 1975. In the coming decade with the introduction of Jumbo Jets, traffic to India would also increase. Given the proper proportional selling efforts and matching action to provide what is called the tourist infra-structure, it should be possible to reach a target of one million tourists by 1980. In view of the potential growth of tourism in coming years, the national tourist organisation should be one which is capable of tackling and coping with a multitude of problems, keeping in view the broad objectives and the goals of tourism development of this country.

13.32. The Committee gathered the impression during their tours and discussion with non-official organisations that for a field organisation, it is absolutely essential that decisions should be taken in time and should reach all formations in clear and unambiguous terms. It is, therefore, essential that the set-up for tourism, both for policy-making and implementation, should be fully responsive to the challenges of the task and be willing to have an open mind to assimilate the best ideas, anticipation and analyze the trends in tourism and take quick executive action to prepare the ground for provision of the requisite facilities. In this connection, the Committee would like to draw attention to the following recommendations made by the IIPA on the set-up for tourist organisation:—

- (i) "... India should give top priority to the development of tourist facilities in the country and the promotion of foreign tourism. Only a forward looking, research based and result oriented modern organisation with best available professional staff can do the job. To attract the best personnel in the field, pay and facilities at commercial rates have to be offered."
- (ii) "That the major problem is whether the Department of

Tourism's present organisational structure is suited to operate quality programme for attracting tourists in the world's most competitive market. The emergence in 1967 of the new Ministry of Tourism and Civil Aviation brought about greater understanding and cooperation between almost all the organisations involved in dealing with the tourists; the two national airline corporations and the Tourist and Civil Aviation Departments. But the governmental framework in which the Tourist Department operated has not shown the necessary flexibility to meet the kaleidoscopically changing tourism market. What was imaginative organisational set-up in the initial stages before the tourism became a major world industry, have become a virtual stagnation for Indian tourism. There are too many bottlenecks-organisational and procedural and the position of the tourism department as an attached office has hampered its capacity to handle the desired accelerated growth of tourism and to fulfil plan targets. The shortfalls in expenditure during the 2nd, 3rd and 4th Plans are an indication that the present structure and procedures were not adequate to cope with the increasing number of foreign visitors, and to provide them with necessary facilities."

- (iii) "In some instances the Director-General of the Department has been handicapped because of Associate Finance. This leads to curtailment of his freedom of action. and prevents him from being an effective Head of the organisation in pushing through his plans and proposals. Important policy matters of the Department have to be processed in the Ministry. A very vital question is whether on such matters the Director General as the Head of the Organisation has direct access to the Minister to advise him. It seems that the Secretary of the Ministry at present acts as an intermediary. This poses the problem of authority and responsibility.. The Director General is responsible for the activities of the Department, but it is doubtful whether he possesses all or even adequate final authority."
- (iv) Summing up the Indian Institute of Public Administration Report stated that "in view of the magnitude and dimensions of the global tourists explosion now and anticipated

in the coming decades, we feel that the problem of evolving an organisational structure suited to modern promotion and marketing methods requires a fundamentally different approach. India needs a tourist organisation which will take vigorous and effective measures to sell a competitive 'product' throughout the markets of the world."

It is also pertinent to recall that for a number of years, the key post of Director-General of Tourism was not filled up and the work was carried on by an officer of the rank of Additional Director-General of Tourism. It is only recently that an officer has been appointed as Director-General of Tourism with an ex-officio status of an Additional Secretary. The Committee need hardly emphasize that the key executive portfolio in tourism should be mannel for a length of time, so as to ensure stability and continuity in the implementation of tourist development programme. The Committee would also like Government to examine in depth the recommendations made by IIPA and take suitable action to see that the set-up for tourism has the requisite flexibility of approach and power for action.

(B) Coordination among various Organisations concerned with Tourism

13.33. There are a number of organisations concerned with the growth and development of the tourism in the country. Some of the important organisations are (i) the Central Department of Tourism; (ii) Departments of Tourism in different States; (iii) the Tourist Development Council at the national level; (iv) Four regional Tourists Committees; (v) National Tourism Board; and (vi) the Department of Archaeology.

13.34. The U.N.D.P. Team in the Report (1970) on Tourism in India recommended that "an important step is the definition by agreement of functions of the Central and State Government Tourist Departments so that there is no duplication of effort and money and that all fields of tourism are covered."

13.35. The Committee enquired whether an attempt had been made to demarcate the functions and responsibilities of the State Government Tourist Departments and the Central Department of Tourism and whether any machinery had been evolved for achieving effective communication and liaison at the various levels to avoid duplication and inactivity which was reported to persist at present. In reply, Government have stated:—

- "(i) No formal demarcation has been made between the functions and responsibilities of the State and Centre Tourist Departments. However, there is a general understanding that by and large State Governments will be responsible for home tourism and Centre for international tourism.
- (ii) For achieving effective communication and liaison at the various levels and to avoid duplication and inactivity, the Central departments has set up a Tourism Development Council consisting of members from the public and private sectors and State and Central Governments and also 4 Regional Committees for effective implementation of the decisions made at the T.D.C. Yet, another body—National Tourism Board has been set up from May, 1972 to deal with specific programmes and plans and specifically to prepare the national plan for tourism covering the public and private sectors."

13.36. Regarding the functions of Central Departments of Tourism and the State Tourism Departments, the Secretary, Ministry of Tourism and Civil Aviation stated during evidence that the pattern had been established over the years and it was that in so far as foreign tourists were concerned the Centre provided the infra-structure. The State Governments were largely concerned with domestic tourism. In addition to that major development projects for overseas tourists were budgeted for by the Central Government, but or course assistance of the State Governments was required in so far as the acquisition of land etc. was concerned. The witness addece that there was no conflict. Every State Government was anxious that the Central Government should develop more and more tourism infra-structure in their States.

13.37. Regarding the question of clear cut policy defining the financial and technical assistance for States by the Central Government to encourage the development of Tourism, the Secretary, Ministry of Tourism and Civil Aviation explained, it was a question of availability of funds and it was not possible for the Central Government to become solely responsible. He added that unless the States were involved in the financial expenditure to some extent, their interest would not be of the same order. Some of the States had set apart large sums for tourism development. For instance Jammu and Kashmir had set apart almost Rs. 3.75 crores in the Fourth Plan for Tourism development. In the case of other Statesallocation for tourism was only a few lakhs. In his view the Statesthemselves would set aside larger sums of money for tourism, if there was a greater appreciation of benefit tourism. He added that it would not be possible at present for the Central Government to go out to assist in the State Plans.

13.38. In a memorandum submitted to the Committee it has been represented to the Committee that "the existing facility for achieving coordination among various organisations concerned with tourism are mainly the periodical meetings of the Tourist Development Council at the national level. Representatives of the various orgranisations concerned with tourism sit in these meetings, deliberate, highlight problems and suggest solution. The resolutions passed by such bodies are necessarily recommendatory and they servelittle purpose unless they are implemented. What would, therefore, appear necessary is to devise high-powered smaller machineries at appropriate levels which could ensure that nothing stood in the way of giving shape to these resolutions. In reply, Government have stated thus:—

"There appears to be no necessity for setting up high-powered small machineries to ensure the effective implementation of the resolutions passed by Tourist Development Council, since the National Tourism Board has been constituted for this very purpose. Moreover, the different Divisions of this Department are taking necessary follow-upaction for the expeditious implementation of the T.D.C. Resolutions."

13.39. In a memorandum submitted to the Committee, the Travel Agents Association of India have stated:—

"Certain amount of coordination between the activities of the Centre and State Organisations is being achieved through the Tourist Development Council meetings and the Conventions of the Travel Agents Association of India. It is, however, felt that the Directors of Tourism and the State Governments and the Central Government should meet more often and have a free and frank exchange of views. A coordinated campaign for generating the tourism consciousness amongst the people, proper allocation of funds and functions for the promotional publicity etc. could be achieved. At present, it is felt that the various State Officials are isolated and sometimes the Central and the

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State Organisations do not act hand in hand. Various. Resolutions on the Central/State subjects passed at the Tourist Development Council meetings and at the Conventions of the Travel Agents Association of India have still not been implemented by many Government Authorities."

13.40. To a question as to how far coordination was being achieved between various organisations connected with tourism, the Secretary, Ministry of Tourism and Civil Aviation explained the position thus during evidence:—

- "As far as the Tourist Development Council is concerned it is an advisory body which makes recommendations for the development and promotion of tourism all over the country. The implementation of these recommendations in turn has to be done by various agencies of the Central Government and the State Government both in the public and private sectors. The membership of these councils has, therefore, been so constituted as to involve all these various agencies in the decision making process of the Council. The various divisions and sections of the Department of Tourism are also involved in the follow-up action to ensure that these recommendations are implemented to the extent that they are acceptable.
- As far as coordination is concerned the Council itself coordinates on matters relating to tourism. There are periodical meetings by the Minister-in-Charge by which coordination is achieved. The National Tourism Board discuss matters which have an inter-Ministry effect so that quick action can be taken on matters which impinge on the jurisdiction of other Ministries. In so far as international airport authority is concerned the coordination is done in the Ministry itself where both the Tourism Department and all the public sector undertakings under the Ministry are involved.
- As far as coordination in the Central Government is concerned, I think, the experience of every Ministry will be where more than one Ministry is concerned it takes time. The fact remains that through inter-departmental meetings and discussions coordination is achieved. Sometimes a particular Ministry may have different view on a

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subject to ours. It is our job to convince them that what we are recommending will benefit tourism. So far as the two Airlines are concerned there is really no great difficulty in the coordination because they are under the same Ministry and if necessary directions can be given, overruling the particular view of a Corporation."

13.41. To a query whether the measures they had taken were adequate and any further action was necessary, the witness stated that from their side they would like to have more effective coordination. He added that inter-Department meetings were at present held once or twice a month.

13.42. Tourism requires a considerable degree of coordination between Central and State Governments. The Committee, however, note that no formal demarcation has been made between the functions and responsibilities of the State and the Central Tourist Departments. By and large State Governments were responsible for home tourism and Centre for international tourism. The Committee further note that the degree of interest shown by the various States in tourism varies a great deal. The Committee consider that for achieving effective communication and liaison at the various levels an important step was the definition by agreement of functions of Central and State Government Tourist Departments so that there is no duplication or wastage of effort and money and all fields of tourism are covered. In this connection the Committee note that some of the functions that might be the responsibility of each State Government Tourist Department are (i) "compilation and publication of tourist information on tourist centres important to home tourism on the lines of the proformae of the Central Tourist Department. At present enquiries on such centres do not elicit much information. Places covered by the Central Tourist Department publications should not be covered in such publications which is often the case at present resulting in duplication"; (ii) "The State Tourist Bureaux should deal with subjects such as Holiday Camps, sightseeing tours by State Transport buses, improvement of local transportation, implementation of plan projects, health and sanitary improvements, beggar problem, publicity and arrangements for local testivals, special counters at pilgrim resorts during festivals etc. The last-mentioned is most important, as at present tourists are greatly handicapped by lack of adequate information on local festivals"; (iii) "In addition just as the Central Tourist Department has counters at international airports, the State Governments should set up counters at Railway Stations at important tourist centres where at

present the home tourist and the middle-income foreign tourist go unattended with nowhere to get information or guidance from. State Tourist Offices sometimes duplicate the Central Tourist Department functions at major centres. This could be avoided and State Government staff diverted for other functions which are important for the development of home tourism. The objective to which all will undoubtedly subscribe is progress in tourism which will benefit the individual States and the nation simultaneously and substantially."

C. Committees/Councils constituted for the development of Tourism

(i) Tourist Development Council

13.43. The Tourist Development Council was set up in February, 1958. It was reconstituted in November, 1971. The composition of the Tourist Development Council is given at Appendix —II.

Function

13.44. The main function of the Council is to recommend measures necessary for the promotion of tourist traffic to India from other countries and from one part of the country to the other. While the recommendations of the Council are generally in respect of matters concerning the country as a whole, it is not debarred from making recommendations in respect of measures for the development of tourist traffic to a particular place. The recommendations of the Council are advisory in character but in view of the high-level representation on the Council, its recommendations assist in uniformity of approach at the levels of both at the Centre and States.

Meetings

13.45. The Council has held 15 meetings since its inception in 1958. 40 Members attended the last meeting of the Council held in Goa in October, 1972, and 6 members sent their representatives. The attendance at previous meetings had ranged around 60 to 75 per cent of total membership.

13.46. It has been stated that no review or assessment of the Council's achievements had been made since the Council was purely an advisory body and had no executive functions. Its achievements, however, could be noted in terms of the recommendations it made and the resolutions it adopted when it met once a year. For example, at its meeting in Madurai in October, 1970, the Council made various recommendations and adopted 25 resolutions covering such wide range as (1) Incentive to Hotel Industry; (2) Maintenance of Standards by hotels; (3) Consultancy Cell for Hotels;

(4) Subsidiary Accommodation; (5) Assistance to Motels; (6) Road Side Amenities; (7) Confirmation of seats on Indian Airlines; (8) Purchase of Air Craft by Indian Airlines; (9) Catering facilities at Terminal Buildings in flight; (10) Inter State movement of vehicles: (12) Relaxations in the Rules for Recognition of Tourist Car Operators; (13) Tourist Taxis; (14) Facilities for tourists on Indian Railways; (15) Overland Tourist Traffic; (16) Promotion of Wild Life Tourism; (17) Relaxation of Excise (NEWS FOR FOREIGN (18) Implementation of recommendations contained TOURISTS); in the Report of Dr. F. R. Allchin, UNESCO Expert on Cultural Tourism; (19) Concessions to Travel Industry; (20) Preparing a perspective plan for Tourism; (21) Setting up of Complaint-cumsuggestion Cells by the State Governments; (22) Improvement in the status and scales of pay in Government Organisations; (23) Inter-State Publicity; (24) Observance of Tourist Festivals in States; (25) Publication of All India Tourist Guide and Provision of Trained Guides at Important Tourist Centres.

13.47. Similarly at the 15th Tourist Development Council meeting held in Goa in October, 1972, 32 resolutions were passed covering such aspects as (i) Inter-State movement of tourist vehicles on "single point" taxation basis; (ii) Development of roads and provision of way-side amenities, camping facilities etc.; (iii) Inland water transport and organisation of regular cruises including ocean trips: (iv) Railways and their role in the growth of tourism; (v) Indian Airlines role in tourism; (vi) Airport development; (vii) Control over tourist taxis; (viii) Encouragement for the construction of new hotels and motels-Hotel Development Loan Scheme; (ix) Trained personnel for hotels; (x) Financial assistance to the hotel industry by State Finance Corporations and grant of subsidy on interest of loans by State Governments; (xi) Restaurants and the development of Indian Cuisine and entertainment; (xii) Government control over unclassified hotels; (xiii) Proper management of National Parks and Wild Life Sanctuaries; (xiv) Promotion of Wild Life Tourism; (xv) Cultural Tourism; (xvi) Pilgrim Tourism; (xvii) Cultural programmes for tourists; (xviii) Development of Sports as tourist attractions, specially swimming and golfing and import of motor boats and water skiing equipment; (xix) Fifth Five Year Plan: Central, State and Private Sectors; (xx) Organisation of State Tourist Departments and Training of tourist personnel; (xxi) Role of local bodies; (xxii) Abolition of permits for restricted/prohibited areas; (xxiii) Convention and Fair Tourism; (xxiv) Role of Travel Agents; (xxv) Films for tourism publicity; (xxvi) Tourist Literature; (xxvii) Tourist literature in Indian languages; (xxviii) Information regarding tourist publications; (xxiv) Motivational publicity; (xxx) Thematic publicity; (xxxi) Regional publicity; and (xxxii) Tourist Education.

13.48. It has been stated that these resolutions had been forwarded to the concerned authorities for implementation.

13.49. Regarding the question whether the Tourist Development Council as it was presently constituted was an effective instrument of promotion of tourism, the Additional Director General of Tourist stated during evidence:—

"The practice in recent years has been to break up into Subject Committee. The Subject Committee are presided over by some Ministers of the State Governments based on their interests in their particular fields. There are Officers of the Centre and the States and other Ministers and Members of public as well as Members of Parliament. They deliberate on matters for one or two days depending upon the quantum of work and make recommendations. Then resolutions are also passed. Therefore, with the membership of even 70 or so, we do not consider that it presents any problem of being too large. The recommendations and resolutions themselves constitute a very magnificent record of the achievements of the Council. In fact, quite a number of resolutions which were passed have given rise to an administrative action both at the Centre and in the States' levels. In fact, much of the credit for achievements must go to this particular Council. The recommendations made by the Council as a result of 15 meetings held so far have added substantially to the growth of tourism and tourism consciousness at various levels."

13.50. The witness added that council reviewed its own achievements. Clarifying the point further he stated:

"Please take a matter like hotel development. While everybody had been talking of what is to be done. One of the resolutions passed at Tourist Development Council was that a climate should be created for investment in hotel projects and the State Governments, who own land must make it available at reasonable prices to the person concerned so that hotels may start coming up. This recommendation was followed up and it has resulted in most of the States to take a similar action. In some way, recommendations were made with regard to inter-State transport. This certainly has resulted in the Ministry of Transport to undertake a review on matters of inter-State transport."

13.51. To a question whether the Council had thought of creating medium tariff rates hotels the witness added that there was a meeting of the Tourist Development Council in which this point was raised. They had taken a positive decision that they shall encourage more loans for the medium priced hotels. In fact, they expected that two thirds of the new hotels capacity which would be built up during the 5th Five Year Plan would be built in the neighbourhood of three star category hotel.

13.52. The Committee having been informed that the existing facility for achieving coordination among various organisations concerned with tourism were mainly the periodical meetings of the Tourist Development Council at the National level and the resolutions passed by this body were necessarily recommendatory and that they served little purpose unless they were implemented. The Committee enquired whether any high powered machinery which could ensure that noting stood in the way of giving shape to these resolutions had been devised. The Secretary, Ministry of Tourism, during evidence explained the position as follows:

"As far as TDC is concerned, it is a very large body with 64 members. Obviously, that cannot be an implementing agency or machinery. It makes recommendation on broad policy basis. Many of these recommendations are extremely valuable and have to be followed up. We do have small organisations, like Secretaries Committee, Departmental Committees etc. which go into all these things. There is need for coordination with the State Governments. Then again we set up the National Tourism Board largely with a view to see that we implement those policy matters which require the cooperation of many agencies. For instance on the National Tourism Board, we provide representation at the high official level to the Railway. Finance etc. This small body does the It depends on the various schemes of the coordination.

Central Government or State Governments. For instance, there may be recommendation to build a road to improve tourist traffic to a particular area, or that a particular monument should be land-scaped or improved, in all these matters, we have to consult a number of agencies, *e.g.*, Archaeological Survey of India etc., which means the Ministry of Education, or Transport Ministry for roads; it may be the State Government etc. The Department is not in a position in many cases to implement recommendations completely by itself. It has to rely on a number of other departments/Ministries concerned."

13.53. The Committee note that the Tourist **Development** Council was constituted in February, 1958 and comprises 64 members representing various interests viz. 24 Ministries/Departments of Tourism from different States, 9 M.Ps., Distinguished Members of Public, 13 representatives of Central Ministries/Undertakings, 5 representatives of trade and industry etc. The Minister of Tourism and Civil Aviation is the Chairman and Minister of State for Tourism and Civil Aviation is the Vice-Chairman. The Committee further note that the Tourist Development Council at its meeting held at Madurai in October, 1970 passed a number of resolutions covering a wide range of subjects. The Committee also note that at 15 Tourist Development Council meeting held at Goa in October, 1972, the Council passed an impressive list of 32 resolutions at the meeting. From the progress report furnished to the Committee on the action taken by the Department of Tourism to implement the various resolutions passed by the Tourist Development Council at its session held at Madurai in October, 1970, the Committee note that not much headway has been made to implement the various resolutions passed by the T.D.C. even after a lapse of period of about 3 years. The Committee would, therefore, stress that after a two decade of tourism planning a point has been reached when there should be concentration of attention on the expeditious implementation of the well-founded policies and programmes for the promotion of tourism in the country.

(ii) Regional Tourist Committees

13.54. Four Regional Tourist Committees, one each for the Northern, Southern, Eastern and Western Regions, were set up in

February 1970. The States represented on each Regional Committee are as follows:—

(i) Northern Kegion	Jammu and Kashmir, Punjab, Haryana, Rajasthan' Uttar Pradesh, Himachal Pradesh, Delhi and Chandi- garh.
(ii) Western Region	· Maharashtra, Gujarat, Madhya Pradesh and Goa.
(iii) Southern Region	• Tamil Nadu, Kerala, Mysore, Andhra Pradesh and, Pondicherry.
(iv) Eastern Region	West Bengal, Assam, Biher, Orissa, Nagaland, Tripura, Manipur, Andaman and Nicobar Islands.

13.55. The composition of the Committees is as follows:

- (i) Regional Director, Government of Tourist Office, Secretary-Convener.
- (ii) Officers from each State in the Region, Secretary, Director of Tourism and any other concerned officers deputed by the State.
- (iii) Regional representative of Customs, Indian Airlines, Railways, Travel Agents, Hotels and Restaurants.

Functions:

13.56. The primary function of the Regional Committees is coordihation between Central and State Governments as well as the essential segments of the tourist industry. The Committees were set up for implementing the Tourist Development Council's recommendation on regular regional consultation and better coordination between the Centre and States.

13.57. It had been stated that no review or assessment of the working of these committees has so far been made in the Department. However, these committees have been meeting regularly since they were set up in February, 1970 and have led to more effective coordination between Central and the State Governments. 13.58. The Committee note that primary function of the Regional Committees was to achieve coordination between Central and State Governments as well as the essential segments of the tourist industry. Another object for setting up these Committees was to achieve implementation of Tourism Development Council's recommendations by regular regional consultation and better coordination between the Centre and States. In order to assess the utility and enhance its usefulness, the Committee would urge a periodical review of the working of the Regional Tourist Committees.

(iii) National Tourism Board

13.59. The formation of the National Tourism Board was announced by the Minister of Tourism and Civil Aviation on the 11th May, 1972. The main objects and functions of the National Tourism Board are:

- "The Board has been set up in the background of the expected massive investment in the Central, State and private sectors in the Fifth Plan and to have a single body with a distinct function of drawing tourist development plans and the implementation in coordinated manner. The Board will have the task of preparing an overall plan for tourism covering both the public and private sectors. The plan will take into consideration the fiscal targets and tourism development, the infra-structure to be built by various agencies and promotion of tourism abroad. The Board will discuss and examine the plans of the Central and State Governments and critically review their progress and see to their implementation. It will also see if the Plans are adequate and are in tune with the changed requirements of the tourists.
- The main functions of the Board will be t_0 advise the Minister of Tourism and Civil Aviation on matters relating t_0 the improvement of tourism infra-structure in all its aspects and to suggest ways to coordinate tourism schemes and activities in the public and private sectors."

13.60. The composition of the National Tourism Board is as follows:---

- 1. Minister of Tourism and Civil Aviation-Chairman
- 2. Minister of State for Tourism and Civil Aviation—Vice Chairman.

Official Members

- 3. Secretary, Ministry of Tourism and Civil Aviation.
- 4. Financial Adviser (Tourism), Ministry of Finance.
- 5. Chairman-cum-Managing Director India Tourism Development Corporation.
- 6. Member, Traffic, Railway Board.
- 7. Managing Director, Indian Airlines.
- 8. Managing Director, Air-India.
- 9. Director-General, Archaeological Survey of India.
- 10. Chairman, Inter-State Transport Commission.
- 11. Director-General, Department of Tourism Member-Secretary.

Non-Official Members

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- 12. Shri Ajit Kerkar, Managing Director, Indian Hotels Company Limited.
- 13. Shri Romesh Thapar Editor, Seminar.
- 14. Shri Inder Sharma, Managing Director, Sita World Travel (IP) Pvt. Ltd.
- Shri Som Benegal, C-65, Hazarat Nizamuddin East, New Delhi-13.
- 16. Shri Patwant Singh, Editor, Design.

Meetings of the Board

13.61. The Board is required to meet once in three months. Since its establishment, the Board had its first meeting on the 26th June, 1972 and met again on 20th July and 30th August, 1972 in New Delhi under the Chairmanship of Dr. Karan Singh, Minister of Tourism and Civil Aviation. The members of the Board were also invited to the Tourist Development Council meeting held in Goa from 23rd to 26th October, 1972.

Problems discussed at the meetings of the Board

13.62. The following issues were discussed inter-alia at the meetings of the Board:---

"Among various issues, some of the main issues so far discussed have been matters relating to national tourism plan for the Fifth Plan period, identification of unfavourable factors affecting tourism to India, simplification of frontier formalities regulations, development of beach resorts in India like Goa, Kovalam and Mahabalipuram, integrated projects, development of sea cruises along the Indian Coast, prevention of leakage of foreign exchange, need for a single agency for recognition of travel agents, etc. Action required on these matters will be processed by the concerned authorities for implementation."

13.63. To a point as to how far the functioning of the National Tourism Board differed from the Tourist Development Council, it has been stated that the Board would be a Standing Board and would deal with specific programmes and plans. Its functions would, therefore, be distinct from the Tourist Development Council which was a deliberative body on matters of policy and overall problems.

13.64. In reply to a point as to how far the National Tourism Board would be able to play any useful role in view of the fact that it had not been delegated with any executive or financial powers it has been stated that the Board would be serviced by the Department of Tourism and the India Tourism Development Corporation and its suggestions would be acted upon by the respective institutions. It was not considered necessary to have any executive or financial delegation to this Board as implementation would still be with the respective bodies, viz., Department of Tourism and I.T.D.C. who will work out administrative procedures best suited to implement schemes expeditiously. It would also enable Government to take a view later, on the need to strengthen the Department on the personnel side and secure adequate delegation of powers.

13.65. When asked whether the multiplicity of Tourist Organisations viz., Tourist Development Council, Regional Tourist Committee, National Tourism Board was causing confusion in the growth and development of Tourism in the country, it has been stated that Tourist Development Council and Regional Tourist Committees were deliberative bodies on matters of policy and overall problems. The Board would be a smaller body with distinct function in relation to plans and fiscal targets.

The representatives of the Travel Agent Association of India in their evidence before the Committee stated the National Tourism Board which was the highest body in the country was the coordinating agency in the field of Tourism. The representatives of the Department of Tourism, India Tourism Development Corporation, Ministry of Transport, Travel Agents Association, Hoteliers, were all members of the National Tourism Board. The witness added that the National Plan for Tourism was also to be formulated by the National Tourism Board. He expressed the hope that the Board would not only be able to decide upon the policy, but would also be able to imprement the various decisions already taken.

The Committee pointed out that the National Tourism Board was charged with the responsibility of making the overall plan for tourist development in the country both in the public and private sector, but unfortunately it had not been given or delegated any executive or financial powers. The Committee, therefore, solicited the views of the witnesses whether these bodies could be brought under a comprehensive legislation so as to give these bodies effective power and responsibility so that they were answerable to Parliament. The witness in reply stated the position thus:—

"We fully agree with the idea; when our organisations sought a high-powered organisation or a body to be formed with all constituents of the Government and the private sector, we were under the impression that the National Tourism Board would have some powers. From the 4 or 5 meetings that we have had so far, it came out this Board has only advisory powers and it is like an advisory body to the hon. Minister for Tourism and Civil Aviation. It has no real powers. It has no financial powers. It cannot interfere. It cannot do anything. Your observation is hundred per cent correct."

The witness added that just like Railway Board was a statutory Board, the National Tourism Board should also be made statutory. He added that if the National Tourism Board was given more powers and sanctity, its utility would be far greater than it was today.

13.66. Dealing with the utility and role of National Tourism Board, the Additional Director General of Tourism, explained the position thus during evidence:—

"The Board has been set up in the background of the massive investment in tourism—the investment which we expect from the Central Sector during the Fifth Five Year Plan period. And it was decided to have a single body for a distinct function of drawing tourist development plans and overseeing the implementation in a very coordinated manner. The Board will have a task of preparing a single plan for tourism covering both the public and private sec-The Plan will take into consideration the physical tors. targets and the aspects of development of Tourism, and the infrastructure to be built by various agencies for promotion of tourism. The Board will discuss the question of grants of the Central and State Governments and critically review their progress from time to time and watch their implementation. It will also see if the plans are adequate and in tune with the changed requirements of tourists from time to time. The main functions of the Board will also be to advise the Minister of Tourism and Civil Aviation on matters relating to the improvement of tourism infrastructure in all its aspects and to suggest ways to coordinate tourism schemes and activities in both public and private sectors."

13.67. The Committee note that there already existed, the Tourist Development Council entrusted with the function of recommending measures necessary for the promotion of tourist traffic to India from

other countries and from one part of the country to the other coun-Added to this, are the four Regional Tourist Committees one trv. each for the Northern, Southern, Eastern and Western Regions set up for implementing the Tourist Development Council recommendations by regular regional consultation and better coordination between the Centre and States. The Committee further note that the Department of Tourism has created another apex body National Tourism Board to advise the Minister of Tourism, relating to the improvement of tourism infra-structure in all its aspects, and to suggest ways to coordinate tourism schemes and activities in the public and private sector. The Committee note that the National Tourism Board has not been delegated with any executive or financial powers. In the absence of any such powers, the Committee are not able to comprehend how far such a body can prove to be effective instrument for successful execution of tourism, plans and policies. The Committee has, therefore, spelt out in greater detail their views about the reorganisation of the Department of Tourism at paras of this Report.

D. International Tourist Associations

- 13.68 The Department of Tourism is a member of-
 - International Union of Official Travel Organisation (IUOTO);
 - (2) South Asia Travel Commission (SATC), a Regional Commission of IUOTO; and
 - (3) Pacific Area Travel Association (PATA).

13.69 Details in respect of each of these associations are given below:—

(1) International Union of Official Travel Organisation

IUOTO is at present a non-governmental body set up for the development of Tourism throughout the world. However, it is difficult to quantify the effect of its recommendations and activities on the flow of tourist traffic from international markets to India. IUOTO does not undertake any activities for directly promoting traffic to its member-countries. IUOTO plays an essentially developmental role.

Set up in 1946 IUOTO was accorded consultative status by the Economic and Social Council of the United Nations in 1948. At present 109 National Tourist Organisations, including the Government of India's Department of Tourism, are represented on IUOTO. Its object is to develop and promote tourism throughout the world

by undertaking research, disseminating technical information and providing vocational training. During 1970-71 IUOTO undertook 15 studies covering topics such as long-term forecasts, tourist planning, international supply of tourism resources, economic review of world tourism, development trends in respect of national parks, and game sanctuaries, development of accommodation, role of tourism as а source of employment, impact of air fares on tourism development. study and analysis of long-term effectiveness of promotional campaigns and motivation and behaviour of tourist demands etc. IUOTO also provides to its member-countries technical information such as guidelines on travel statistics, tourist expenditures, preparing forecasts, survey of marketing methods and methodology for assessing results of marketing studies. IUOTO also conducts regular vocational training courses at its training institute in Turin, Italy. Some fellowships are available for the Turin courses and the Department of Tourism has been able to get one or two fellowships every year.

However IUOTO's role in developing and promoting international tourism is restricted by its being a non-governmental body lacking authority or sanction behind its decisions. In September, 1970, the IUOTO in an Extraordinary General Assembly in Mexico, decided to transform itself into an inter-governmental organisation to be called the World Tourism Organisation (WTO). WTO will come into existence 120 days after 51 member-States have ratified the Statutes of the new organisation and signified acceptance of the obligations of membership. India has ratified the obligation of memberships. India When it comes into existence, WTO is expected to have greater sanction and authority behind it as an inter-governmental organisation. It will have a close working relationship with Specialised UN agencies like UNCTAD and UNIDO and will seek to become a Participating and Executing agency of UNDP. Thus the WTO would be in a position to utilise UN Development Funds for technical assistance and pre-investment projects in developing countries.

(ii) South Asia Travel Commission

SATC is one of the Regional Commisions of IUOTO. The other members of the SATC are Afghanistan, Ceylon, Iran, Mongolia, Nepal and Pakistan. At the Ministerial Conference held under the Chairmanship of India's Minister of Tourism and Civil Aviation in New Delhi in March 1969, the SATC adopted various resolutions for regional promotion of tourism. However, since then the SATC had been lying dormant. With the setting up of a Regional Office of IUOTO in Colombo shortly, SATC is expected to be reactiviated and the scheme for regional promotion implemented. Until now the SATC has not contributed towards the flow of tourist traffic to India from international markets.

(iii) Pacific Area Travel Association

PATA is a non-profit marketing Corporation set up to develop, promote and facilitate, travel to and within the Pacific Area and the South East Asia region, including India. It primarily operates in the United States market, which is the worlds' biggest travel market. Since the Government of India has its own offices in the USA which also undertake publicity and promotion campaigns, it would be difficult to delineate the credit between PATA's efforts and those of our own offices for the increased flow of traffic from the USA.

The figures of tourist arrivals from North America (USA and Canada) for 1969, 1970 and 1971 are as follows:--

Year		1969	1970	1971
Number of tourists	•	57,682	65,819	62,027
Increase over previous year		12,386	8,137	(—)379 2
Percent increase over previous year	27.3	14 · 2	()5 · 8	
Proportion to total tourist arrivals (%)	23.6	2 3·4	20.6	

The decline registered in 1971 was for obvious reasons namely, the uncertain conditions in the sub-Continent.

PATA however has focussed attention on travel opportunities in member-countries and has built up great awareness and specific contact among the travel trade in countries from where tourists originate. Several countries other than USA have PATA Chapters which organise promotional meets. PATA and its Chapters are unique bodies in that they as compared to other international bodies in the field of tourism are the only bodies in which Governments, airlines, and other segments of the travel trade find memberships and have a common forum for discussing common problems and undertaking appropriate promotional programmes.

PATA (India) Chapter

There is a Pata Chapter in India with representation from the Department of Tourism. India Tourism Development Corporation, Indian Airlines, Air-India, and other international carriers, leading travel agencies in India, hotels, tour operators, advertising agencies etc. The Chapter undertakes promotional work specifically for promoting India. In 1971 the Chapter sent a high-level team, led by Maharashtra's Minister of Tourism, to the US and Canadian markets. A series of travel workships were held by the team in a major US and Canadian cities, with the assistance of the Government of India Tourist Offices and Air-India, New York. The Chapter is proposing to undertake another such promotion this year.

Indian delegates to the PATA Annual Conference held in Malaysia earlier this year also organised a joint promotional platform through the PATA (India) Chapter.

PATA Surveys

PATA also has a programme of statistical and research work relating to travel trade and tourism development for the benefit of the members. One of the major surveys which was carried out in recent years was the Pacific visitors survey which included detailed research on visitors reactions to India, their requirements and preferences, motivation behind destination selection etc. In 1970 PATA deputed its Research Director to India to present the results of the survey conducted among US travel agencies to study the market trends and another survey conducted by the Boeing Company on travel forecasts upto 1980.

Training Seminars

PATA also holds regular training seminars for its members. The last International Training Seminar of PATA was held in Singapore in November 1971. When the Department deputed one of its senior officers to attend the seminar. The Singapore seminar was also attended by four or five senior management personnel from the trade in India. PATA also gives assistance to member-countries in organising seminars. One such PATA assisted seminar was held in Bangalore in August 1971. The entire faculty was made available by PATA free of cost.

13.70. The Committee are glad to note that the Department of Tourism is a member of various International Tourist Associations such as (i) International Union of Official Travel Organisation (IUOTO); (ii) South Asia Travel Commission (SATC); (iii) Pacific Area Travel Association (PATA). The Committee would like the Department to make full use of these international forums and gain ideas which could be effectively implemented in the field to win the confidence of foreign tourists.

E. Role of Department of Archaeology in promoting tourism

13.71. The Department of Tourism works in close collaboration with the Archaeological Survey of India and the State Govern-The Department of Tourism secured the services of Dr. ments. F. R. Allchin, a UNESCO expert, to draw up a report on the possibility of cultural Tourism in India Dr. Allchin in his report on Cultural Tourism gives a list of 66 'top priority' monuments or groups of monuments. These, broadly constitute seven maior groups or regions in which cultural tourism can be planned and developed, viz., (1) Delhi-Agra (2) Ganges Valley (3) Bombay and Western Caves (4) Tamil Nadu (5) Hyderabad and vicinity (6) Calcutta and Orissa (7) Mysore region. The report states that other areas, particularly Western and Central Rajasthan and Goa would become important when adequate facilities have been made available.

13.72. All other monuments are defined as 'second priority'. This category, which lists 22 sites are those which merely reduplicate, with less excellence or clarity, features already exemplified in sites considered 'top-priority'.

13.73. The Report mainly deals with monuments and the problems connected with them and most of the recommendations contained in it relate to the Archaeological Survey of India. However, these have an important bearing on the development of cultural tourism for which suggestions recommendations have been made in so far as the Department of Tourism is also concerned. The main recommendations in the report are broadly as follows:—

- "(i) Minimum standardised facilities should be available at all 'top priority' monuments. These include well-constructed approach roads and foot paths and their maintenance, visual aids such as sign posts and notice boards; outline plans, block diagrams and route plans for groups of monuments; adequate guide services; book stalls stocking guide books, picture postcards, good quality transparencies and ancillary literature; standardisation of hours of opening of monuments; levy of a reasonable admissible fee, etc; at selected places, site museums, water supply, snack bars or restaurants, toilet facilities and lavatories; at certain places accommodation of the Class-I Tourist Bungalow type. The monuments should be free from all factors like beggars. touts etc.
- (ii) All the monuments of the 'first and second priority' which

are not controller by ASI, should be scheduled because of their importance as part of national heritage and Government, through ASI, should accept responsibility for their preservation. Foreigners, non-Hindus and non-Muslims should not be excluded from visiting privately-owned monuments.

- (iii) For the maintenance of areas surrounding monuments and to avoid encroachment, 'National Parks' should be created around them and their future development should be controlled by a Committee representing wide interests. Steps should also be taken for the preservation and maintenance of the large number of unscheduled and unprotected monuments.
- (iv) The Tourist Department should be responsible for popular folders, tourist postcards, popular city guide books and regional handbooks while the ASI should bring out more scholarly monuments guide books, picture postcards of specialised character and their own monument folder. There should be closer-coordination between the ASI and the Department of Tourism in the recruitment and training of guides.
- (v) With a view to exploit the enormous potential of India's natural heritage, improved facilities should be provided at selected game sanctuaries and 'photo safari' instead of shikar should be encouraged.
- (vi) Tours should be built around some specific theme or aspects of India's culture, based either upon a selection of monuments or upon some aspect of craft or upon some aspect of natural history. Less mobile tours should be organised by travel agents, basing them on one or more city centres. Such tours are recommended because these would cause much less strain to the tourist, permit him to imbibe the distinctive character of the region and acquire a meaningful view of one part of Indian History."

13.74. When asked as to what follow-up action had been taken to implement the various recommendations contained in the Report on 'Cultural Tourisms' the Department of Tourism in a written reply furnished to the Committee have stated:—

"A high level Central Coordinating Committee with representatives of the Department of Tourism, Ministry of Education and Social Welfare, ASI as members and headed by the Minister of Tourism and Civil Aviation has been set up with a view to undertake necessary measures for the development and promotion of cultural tourism in India. On the basis of the reports of the Sub-Committee₅ set up for the various regions, the Committee has recommended that the ASI and the Department of Tourism should draw up a coordination Plan for schemes for providing facilities at selected monuments of tourist importance. Other recommendation₅ include the preparational of a model legislation to be recommended to State Governments for preserving the natural setting and environment of archaeological monuments, publication of suitable tourist literature and licensing of guides at monuments."

13.75. The Committee are glad to note that a high level Central Coordinating Committee with representatives of the Department of Tourism, Ministry of Education and Social Welfare, headed by the Minister of Tourism and Civil Aviation has been set up with a view to undertake necessary measures for the development and promotion of cultural tourism in India. The Committee hope that drawing up of the coordinated plan for providing facilities at selected monuments of tourist importance, by the Department of Tourism and the Archeological Survey of India, would go a long way in attracting tourist traffic to the country.

CHAPTER XIV

CONCLUSION

I. Cost Benefit Study of Tourism

14.1. Besides earning foreign exchange, tourism has a marked 'Multiplier Effect'. The full implications of multiplier system had, however, not yet been studied in detail, because there had been inadequate research. The overall analysis has, however, clearly established the basic premises that the total economic benefits from tourism are very much greater than the foreign exchange earnings; that the combination of the turn over through the application of the Tourism Multiplier effect and the local taxes result in substantially greater revenue than the total plan expenditure. It is, therefore, recommended that the cost benefit study on various aspects of tourism may be taken up immediately to high-light the role of tourism in the economic growth of the country.

II. Tourism Planning

14.2. It is distressing that after two decades of planning, the Department of Tourism has not been able to gear fully its organisational set up for planning and implementation of the various schemes included in the successive five year plans. The position regarding utilisation of funds so far even during the Fourth Plan period seems far from satisfactory. As against an allocation of Rs 1833.57 lakhs during the first three years of the Fourth Five Year Plan, actual expenditure both for the Department of Tourism and I.T.D.C. was of the order of Rs. 1083.17 lakhs. Instead of identifying the factors which impeded the utilisation of funds during the Second and Third Plan period and taking remedial measures to ensure a fuller utilisation of funds, the same old reasons for the shortfall in the plan outlay when the Fourth Plan period is coming to a close are still being advanced viz., (i) non-formulation of the details of schemes before the commencement of the Fourth Plan; (ii) delay in the appointment of executing agencies; (iii) inadequacy of the organisational set up of the Department of Tourism; (iv) delay in completing codal formalities; and (v) delay on the part of 'the executing agencies wherever appointed. There is no use of making a plan

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which cannot be executed and successfully implemented. Even for the execution of the schemes in the Fifth Five Year Plan period no serious thought is being bestowed for laying greater emphasis on the fundamental significance of structuring and manning properly the tourist organisation. The approach to the whole problem of growth and development of tourism in the country by the Department of Tourism is, therefore, a matter of great concern. It is urged that expeditious measures should be taken to finalise the tourism development schemes to be taken up during the Fifth Plan period so that the work on the schemes could be started without loss of time. It is also recommended that corrective measures to streamline the procedures and the working of the Department of Tourism be taken so that the factors which hampered the progress of schemes during the earlier plans are eliminated and that the financial provision made in the Fifth Plan are fully utilised on judiciously selected schemes.

III. Trends in Tourist Trafic

14.3. India has many things to offer for tourism. It has scenic beauty in its mountains, sea-side places and its forests. It has an unlimited number of historical monuments of great interest. It has places of architectural beauty and above all, it has an extraordinary diversity of people who are warm and friendly, a point of special attraction from the point of view of foreign tourists. The slow progress made in the development of tourism in the country was a matter of deep concern.

14.4. The Department of Tourism had originally fixed an ambitious target of 600,000 tourists by 1973 with a view to stimulate the various sectors of the industry to much greater efforts in developing and promoting tourism in the country. These targets were, however, revised and fixed at 400,000 tourists by 1973, consequent on the pruning down of the allocations for tourism in the Fourth Five Year Plan A total of 342,950 tourists had visited India during 1972. On the basis of these arrivals, the Ministry expects that targets of 400,000 tourists by 1973 would be realised. In order to attain a target of 1 million tourists arrivals by 1980. India would require a compound growth rate of 14 per cent over the 1973 targets of 400,000 tourists arrivals, and to achieve a target of 800,000 tourist arrivals by 1978 and one million arrivals by the end of the decade (1980), an annual growth rate of 15 per cent upto 1978 and 12 per cent thereafter would have to be attained. India had already attained the growth rate of 13.6 per cent during 1965-70. The optimism of the Minister of

Tourism and Civil Aviation expressed at the 21st Annual Convention of Travel Agents held at Srinagar on the 23rd April, 1972 that the target of reaching 800,000 tourists arrivals in India by 1978 and one million mark by 1980 would be achieved is shared. In order to achieve the stipulated target it need hardly be stressed that the basic requirements for promotion of tourism viz. (i) provision of hotel accommodation of international standards; (ii) adequate air transport (both international and domestic); (iii) vastly improved rail and road transport facilities; (iv) provision of necessary offsite improvements for development of tourist resorts; adequate entertainment facilities etc. are provided at a much quicker and speedier pace than was hitherto being taken. There is need for sustained and vigorous effort on the part of Department of Tourism and other connected agencies to build up the requisite infra-structure to make comfortable the stay of one million tourist in India by 1980.

14.5. In 1971, an increase of 7.2 per cent was recorded in tourist Though U.S.A. and U.K. continued to arrivals in India over 1970. occupy the first and second positions as the countries of origin of tourists to India Cevlon which ranked third in 1970 moved down to the sixth position and West Germany moved up to the third position. The major increase in tourist arrivals during 1971 was from Malaysia (6,925) followed by Tanzania (3,324), Kenya (3,043) and Singapore (2,705). Tourist arrivals from Tanzania more than doubled in 1971 as compared to 1970. Tourist arrivals from Japan registered about three-fold increase between 1961 and 1971 and exceeded those from Australia for the first time in 1971. Great promotional efforts be made in the countries from where the flow of tourists to India is not at present appreciable. Government should also take careful note of the trends in tourist traffic with reference to areas of origin so as to reinforce efforts in such promising areas.

14.6. As per the statistics furnished by the Department of Tourism, it is noted that country like Thailand was receiving more than double the number of tourists than India. Similarly, Iran had also made significant progress in recent years and was now well ahead of India. Of late Afghanistan had also achieved a considerable rate of growth in tourist arrivals. It was, therefore, imperative that India should make sustained and concerted efforts to keep pace with the countries in the region so far as the flow of tourist traffic was concerned. One way of doing this was by achieving greater cooperation amongst the countries in the region. There are many examples of regional cooperation for example the Alpine countries, CanMexUs (Canada, Mexico, United States), Great Britain and Ireland, where besides having combined centres for staff training; provision of tours covering the countries involved; collective area promotion, there is continuing exchange of experience and information between the constituent countries on their domestic traffic and inter-regional originating traffic. On this analogy, the concept of regional cooperation between countries like India, Nepal, Ceylon, Afghanistan and Iran for organising joint programmes for promoting the region, is commended.

14.7. It is noted that there is perhaps no other single country in the world which contains the wealth and diversity of tourist attractions that India offers to visitors. While good deal of efforts are being made to develop places of tourist interests to attract foreign tourists, much remains to be done to develop places which attract home tourism. Both the foreign tourism as well as domestic tourism are important. While foreign tourism brings foreign exchange and promotes international understanding, domestic tourism fosters national integration and instils amongst the people the consciousness of a single nationhood. It is, therefore, considered that while sustained and concerted efforts should continue to be made to develop places to attract foreign tourists, a strong tourism consciousness should also be created in the country among the Central and State Governments, the local bodies, the tourist, travel trade and hoteliering industry to create infra-structure for home tourism much more rapid pace than hitherto. It is, therefore, stressed that comprehensive surveys be undertaken to identity and develop places of tourist interest in the country as a whole, with a view to identify places for immediate development which are likely to attract foreign tourists and those which would attract home tourists.

IV. Formulation of Master Plan for Development of Tourism

14.8. The progress of development of Tourism in various States varies considerably. While some of the States have made considerable headway in the development of areas of tourists importance in their respective States, there are other States, where the provision of basic infra-structure to attract tourism has not kept pace with the growth of tourist traffic in the country. Numerous efforts have been made to prepare various schemes/programmes for the development of tourism in India. Foreign experts and the United Nations Development Programme Team have also applied their mind and have suggested various measures in their reports submitted to the Department of Tourism. While all concerned are aware of the problems faced by the tourist industry and their solutions are also outlined, what is perhaps lacking is implementation. This is pri**marily due to the absence of a master plan integrating all these projects into a whole fabric for a coordinated growth and development.** It is, therefore, recommended that the Government should draw up a perspective master plan for tourism on all India basis, so as to provide a framework for the next and subsequent Five Year Plans and to determine priorities.

14.9. A number of non-official organisations who appeared before the Committee urged that Government should formulate a tourist promotion policy and bring it forward as a Resolution, so that the policy in this behalf is put on a stable and assured basis. The Committee would like Government to examine this matter in all its aspects. It would certainly be helpful if the national policy concerning tourism could be laid down in some depth and firmness, so as to provide a clear frame-work for implementation at all levels.

V. Development of Sea Beach Resorts

14.10. Man has a great fascination for sea. In the Western countries, such as, France, Italy and Spain, beach resorts have been developed by providing accommodation and varied recreation. The sea water has been fully used for water sports like seabathing, skiing, fishing, boating and yachting. Thus, the sea side resorts have become very popular with the tourists all the world over. Tt was gratifying to note that the Department of Tourism have launched the Kovalam Beach Resort Project. It is hoped that the completion of the Kovalam Beach Resort Project will give a big boost to the flow of tourist traffic to India. The UNDP Beach Resort Development Survey Team undertook a field survey of the beaches at Kovalam, Goa and Mahabalipuram in November-December, 1972 and their report was expected by July, 1973. It is hoped that further development of Kovalam Project would be determined in the light of the Report of the UNDP Survey Team.

14.11. Goa is one of the most interesting areas which could be developed to become a centre of tourism, Government had made a provision of Rs. 20.00 lakhs in the Fourth Plan period for the development of beaches at Goa and a beach resort development survey was expected to be completed shortly. It is recommended that to exploit the tourist potential of Goa, a compact and integrated plan with long term objectives should be formulated. The aim of such a plan should be comprehensive development of tourist beach resorts, roads, hotels and other ancillary facilities and amenities like development of handicrafts, folk dances and folk music. There is no doubt that Government would keep in view, the necessity for preserving the pristine beauty of Goa and its incomparable beaches, while deciding the location of new industrial ventures.

VI. Development of Selected Buddhist Centres

14.12 The proposed development of Bodhgaya-Rajgir-Nalanda complex is welcomed. It is hoped it would help the flow of tourist traffic from countries like Japan, Thailand, Burma and Ceylon, who have sizable Buddhist population. As is well-known, international interest is being increasingly evinced in the religions of India, Government should, therefore, keep this potentiality in view while considering schemes for established pilgrim centres.

VII. Development of Andaman and Nicobar Islands for development of Tourism

14.13. There was at present no Tourist Department in Andaman and Nicobar Islands with the result that no specific measures had been taken to encourage the flow of tourists to the territory. It is further noted that the tourist infra-structure in the territory viz., hotels, road transport etc. were also lacking. A proper survey for assessing tourist facilities in the territory was, therefore, of paramount importance to evolve suitable development programmes. It is recommended that survey of the tourist spots in the territory might be attempted and also a well-coordinated perspective plan formulated for the growth and development of tourism in Andaman and Nicobar Islands.

14.14. The Andaman and Nicobar Islands have a great potential for tourism. The islands are located away from the maintained and this, in itself, should offer an exciting trip, particularly for the younger generation. It is regretted that no concrete steps have so far been taken to carry out detailed survey of these islands, nor develop on centres of tourist interest. It is felt that as Government have now the expertise and experience of developing such sea side tourists centres by ITDC, a survey of the islands should be urgently carried out, with a view to locate beaches and other centres which would be of tourist attraction. As regards foreign tourists, there is no doubt that Government would examine the matter in all its aspects, keeping in view the fact that there is a growing trend the world over, for spending vacations at places which have sun and surf facilities and these abound in Andaman and Nicobar Islands. VIII. Development, Upkeep and Maintenance of Tourist Centres

14.15. It is regrettable that after, two decades of tourism planning, it has not been possible so far to evolve a proper overall development plan for areas around places of tourist interest. It is noted that the biggest tourist attraction in India is the Taj Mahal, yet the town of Agra and the suburban areas present a very distressing picture, when it could have been developed as one of the world's most attractive tourist spots. It is stressed that it should be possible for the Central Department of Tourism to persuade the State Governments/local bodies in each of these towns to adhere and conform to a Master Plan drawn up for development of places of tourist importance. It is further considered that if we have to attract tourists in sufficient numbers, it was of paramount importance that tourist centres and more particularly places which are more frequented by foreign tourists, must have the basic amenities such as cafeteria, clean toilet facilities, suitable resting area and clean environment. It is, therefore, recommended that necessary steps may be taken in this regard.

IX. Development of Backward Areas of Tourist Potential

14.16. At present Government gives certain incentives to industries to set up in specified backward regions. On the same analogy Government should examine whether the Hotel Industry too should be made eligible for this subsidy for setting up hotels in the backward areas which are important places of tourist interest.

X. Beggar Nuisance

14.17. Scientific surveys conducted by the Standford Research Institute (California) and other reputable research institutions in the country, established that poverty and beggar nuisance were the most deterrent factors in the promotion of tourism in India. The nuisance created by professional beggars, touts etc., was also brought to the notice of Prime Minister by a party of American tourists who in turn addressed a circular letter to the Chief Ministers of U.P., Bihar, Madhya Pradesh, Rajasthan, Tamil Nadu, Kerala, Andhra Pradesh, Goa, Daman and Diu, Maharashtra and Orissa and also to Governors of Mysore, Gujarat and Lt. Governor of Delhi. In spite of the fact that the problems of beggar and touts nuisance has been so often highlighted in the various surveys etc. and in the circular letter of the Prime Minister to the State Chief Ministers of various States, nothing concrete appears to have been done so far to put an end to the nuisance created by beggars and touts in vicinity of places of tourists interest and harassing the foreign tourists. It is, therefore, felt that if tourism is to flourish in India, it is high time that immediate action should be taken to ensure that places frequented by tourists are kept clean and free of beggars, touts and peddlars. Similar action need also be taken to keep clear the tourist offices of the Central and State Governments, muscums, important shopping centres, the vicinities of hotels, restaurants, railways, and airlines terminals, of beggars and touts.

XI. Accommodation

14.18. There are at present 175 hotels in the country which are on the approved list of the Department of Tourism and their total capacity is 107,15 rooms. According to the assessment made by the Hotel Review and Survey Committee, the shortages of good hotel accommodation at 35 important tourists centres in the country, worked out to about 30,000 rooms by 1979, Survey of tourist traffic undertaken of each of the 35 important tourist centres reveals that at Bombay, Delhi, Srinagar, Calcutta, Madras, Ahmedabad, Cochin, Agra and Goa etc. the accommodation shortage is most acute. It is further noted that 83 new hotel projects at the various centres approved in the private sectors would add about 2400 rooms by 1973. The hotels being built by the India Tourism Development Corporation and Air India at Kovalam, Dum Dum, Aurangabad, Bangalore, Santacruz Airport and Juhu Beach would add another 890 rooms in the existing hotel room capacity in the country. It would thus be seen that even after creating an additional bed capacity of 3290 rooms by 1973-74 the country would still be very far from realising its target of 30000 rooms to meet the requirements of one million tourists by 1980. It is, therefore, felt that in order to achieve targets of one million tourists by 1980, it would be necessary to build a large number of hotels to make up the shortage of accommodation as speedily as possible. It is felt that as soon as the targets of one million tourists by 1980 had been worked out, a perspective plan for the provision of hotel accommedation should have been simultaneously prepared. Now since the requirement of hotel rooms are known, it is recommended that no time should be lost in formulating a massive programme of hotel construction during the Fifth Plan period, so that sufficient room capacity is created in the country to meet the tourist needs. The construction of sufficient number of hotels in the 3 star category and youth hostels, motels, tourist lodges at a much speedier pace, to meet the requirement of middle and low income group tourists, is also recommended.

14.19. In this connection it is noted that UNDP Team, in its report had made a number of valuable suggestions for the augmentation and improvement of hotel accommodation in the country. It is urged that Government should lay greater emphasis to the implementation of at least some of the important recommendations/ suggestions of the UNDP Team.

14.20. It is felt that apart from making available necessary finance, what is even more important is grant of essential facilities such as land, making available in time essential construction materials like cement, steel, provision of power, water, telephone connection, etc. It is only if all these essential services and materials are available in time and without difficulty, that it would be possible to complete in time the hotels and press them into service without delay. It is recommended that Government should constitute a high powered working group or body consisting of representatives of Ministries and other interests concerned who should review at least once in three months the physical progress made in the implementation of the schemes, and solve the problems faced by the hoteliers in completion of their scheme and spell out other measures or assistance which should be given by Government to accelerate the growth of hotel industry. As most of the money would be coming from the public sources, it is imperative to ensure that the money is put to effective use in providing the desired facilities and that it generates further resources for development. It is suggested that Government who have now adequate experience in running of hotel industry through ITDC, Air India, etc. should in consultation with the hotel industry lay down broad guidelines about the essential facilities which are to be provided in hotels of Three Star category and above so that they do not fall short of the desired standard. In particular, it is stressed that utmost care should be given to the provision of hygienic cooking conditions and service facilities so as to win and sustain the confidence of foreign tourists. It is further stressed that two basic pre-requisites namely availability of adequately trained management personnel to run the industry as well as well trained professional cooks and other ancillary services for providing hygienic and clean food, be also assured.

XII. Prohibition

14.21. A number of expert bodies as well as tourist specialists who have visited this country have pointed out the difficulties which are being experienced at present by foreign tourists in the matter of availability of alcoholic drinks. It is felt that the matter of availability of alcoholic drinks to foreign tourists should be investigated in depth by Government and they should take suitable measures to see that the foreign visitors who are used to have a drink are not denied these facilities in the place where they stay and that there should be no scope for any impression that the availability and service of alcohol drink to these foreign tourists in any way is vexatious or source of harassment.

XIII. Grant of Incentives to Hotel Industry

14.22. A number of representative associations of hoteliers have represented that the recent growth in hotel industry has been greatly helped by the development rebate and other concessions which Government had made available to them in recent years. They have voiced the apprehension that at a time when there is need for a greater effort to put up thirty thousand additional rooms to meet the projected requirement of one million tourists expected to visit this country by 1980, a number of these concessions, particularly the development rebate, is being withdrawn. Government are, no doubt, greatly concerned with the provision of adequate financial facilities and other assistance to the hotel industry so that it is able to devclop and expand to meet the projected requirements. It is, therefore, recommended that Government should constitute a representative high-powered working group/body to examine in depth the existing concessions and facilities which are available to the hotel industry and the need of their being continued and extended. in the light of experience gathered in this country and the practice obtaining in other countries particularly those which have made marked progress in attracting tourists.

XIV. Hotel Development Loan Fund

14.23. The Hotel Development Loan Fund was instituted in April. 1968, with the object of assisting the Hotel Industry with adequate financial assistance in the shape of loans for the construction of hotels of requisite standards and for the renovation, expansion and improvement of existing hotels on the approved list of Department of Tourism. It is noted that out of 68 hotel projects 32 projects have been approved for loans to the tune of Rs. 12.99 crores to provide 2875 rooms. So far a sum of Rs. 4.92 crores had been disbursed to 13 hotel projects. It is appreciated that the special loan fund scheme for development of hotel industry has made some progress, they consider that it would have to greatly expand its scope if the target of development of 30,000 additional rooms by 1980 is to be achieved. It is suggested that the facilities available under the hotel loan scheme should be widely publicised so as to generate larger interest amongst the public and prospective hoteliers. The fund should be managed on sound business and economic lines from the beginning so as to build up a healthy relationship with the loanee as also take adequate measures to see that public money was safeguarded and the instalments were recovered in time. Apart from the hotel development fund, the Government should see that the Industrial Finance Corporation as well as nationalised banks continue to extend loan facilities both long term and short term to genuine hotel entrepreneur so as to encourage their development.

XV. Tourist Finance Corporation

14.24. The proposed setting up of the Tourist Finance Corporation to render financial assistance to the various segments of the tourist industry such as hotel, motels, tourist car operators, shikar outfitters, travel agencies etc. is welcomed. It is hoped that the setting up of the Corporation would considerably facilitate the building up of requisite tourism infra-structucture in the country.

XVI. Transport Facilities

14.25. It is noted that according to the published statistics for 1971, 81.8 per cent of the foreign tourists came to India by air in 1971, 10.8 per cent by sea and 7.4 per cent by land. Of those arriving by air 38.6 per cent disembarked at Delhi, 35.5 per cent at Bombay, 9.2 per cent at Calcutta and 6.4 per cent at Madras. It is further noted that about 92 per cent of tourists from U.S.A., 84 per cent of tourists from Western Europe, 94 per cent from Japan and 87 per cent from Australia which represent India's affluent markets, preferred air travel for their international transportation to India. From the above data, it will have, therefore, to be admitted that international air transportation was a vital factor in tourism promotion. It is further noted that India was situated at a considerable distance from the major tourist generating areas of the world, and that the initial cost of travelling to India represented a disproportionately high element in the overall cost of the tour. The fare structure was thus an important factor in determining the share which India could secure of future world tourist trade. The nonavailability of reduced/concessional fares from any points to India was a disincentive for the promotion of larger volume of tourist traffic to India. It is further noted that though fare structure on scheduled airlines were regulated by IATA in respect of member Airlines efforts should be made to obtain reduced fares for travel to India from the major tourist markets in addition to those already in existence. Facilities as obtainable in countries like Thailand, Japan, Hawaai, Fiji, etc. could be taken as parallel examples. It is recommended that an independent assessment of the fare structures applicable to India to provide a rational basis for recommending reasonable fare revisions which could result in optimising tourist growth without reducing the percentage of returns by our national carrier Air-India may also be attempted.

14.26. As regards the domestic air transportation, it is noted that there was an acute shortage of capacity until about a year ago, but with the acquisition of Boeing 737, the situation had improved as was evident from the reactions of the overseas tour operators.. Confirmations from Indian Airlines were being obtained more speedily than before. It is, however, stressed that there is need for more conscious and planned efforts on the part of Indian Airlines to market tourism by offering concessional round trip fares and providing additional services for large group movement. At present the density of on-line stations in India was very low. In U.K. there was one airport for scheduled operations for every 5,000 Sq. Kms. and in Japan there was one for every 8,000 sq. kms. In India, however, Indian Airlines had only one station for every 50,000 sq. kms. This presented an unsatisfactory position, keeping in view the relative inadequacy of road and rail transport facilities in India as compared with more affluent centres. It is hoped that druing the Fifth Five Year Plan period more new stations would be opened linking the places of tourists interest in the country.

XVII. Road Transport

14.27. It is noted that the total number of vehicles suitable for tourists available in the country are 4801 in numbers out of which 3446 are indigenous cars, 615 imported cars, 682 coaches and 58 Miscellaneous cars. According to the estimates worked out by the Department of Tourism a total number of 10500 additional vehicles, (1800 imported cars, 6000 indigenous cars, coaches etc. 2700) would be required for tourist traffic during the Fifth Five Year Plan period to meet the needs of tourist traffic.

14.28. It is noted that according to the projections of tourist arrivals in India tourists traffic will increase from about 4 lakhs in 1973 to 8 lakhs in 1978 and 10 lakhs by 1980. It is not clear as tohow far the existing fleet of large size cars would be replaced and augmented to cater to the target figures of tourist arrivals. In this connection it is noted that in pursuance of the directive issued by the Prime Minister in 1964 followed by a Government Order in 1968, the tourist trade has been accorded top-most-priority in the matter of allotment of ex-STC vehicles at reserve prices. In actual practice, however, it has been stated that the number of vehicles made available was inadequate to meet even the needs for replacing existing vehicles, let alone augmenting the fleet. It is noted that during the last 17 years, tourist traffic had increased by fifteen times, but the number of tourist vehicles in the country had hardly increased by seven or eight times.

14.29. It is further noted that at present Tourist Transport Operators and I.T.D.C. hold a total of 427 second hand imported cars ex-STC allotted by the Department of Tourism. The number of vehicles made available by the STC during the year 1971-72 were about 6 cars per month on an average as compared to 9 cars per month last year. At this rate it is felt that the tourist taxi fleet might show a net reduction by the end of the Fifth Five Year Plan period because the number of vehicles added to the fleet would fall short of the number of old vehicles being condemned and put out of commission. Further to quote the U.N.D.P. Report "although through S.T.C. second hand imported cars are made available to the tourist operators, these cars are roughly used, badly maintained and very costly in maintenance, spare parts are also not normally available."

14.30. According to the rough estimates worked out by the Department of Tourism, the needs for Fifth Five Year Plan could be met in full only if a minimum number of 25 cars of suitable makes and models were made available by the S.T.C. per month. This would mean 300 cars per annum or 1500 cars being made available by the STC in the Fifth Plan period.

14.31. According to the present indications the gap in availability of cars would be of the order of about 800 cars by the end of Fifth Five Year Plan period. It is felt that if tourism is to develop in India, it was of vital importance that air-conditioned coaches and air-conditioned cars are made available to the tourist industry at reasonable prices. It is hoped that the charges levied from the tourists are effectively regulated so that the objectives underlying in the sale of imported vehicles at fixed prices, are served.

XVIII. Inter-State Movement of Tourist Vehicles

14.32. Tourist vehicles can move freely through different countries in Europe on a single permit. In the case of India, however, at present individual permits are required to be obtained from different State Governments for a tourist vehicle to move from one State to another. Although the Government have made consistent endeavours to solicit the cooperation of the different States for the introduction of single permit system for inter-State movement of tourist vehicles across State boundaries, it has defied solution so far. It is, therefore, recommended that in order to overcome these difficulties, the Government might examine the question at the highest level with a view to solve the problem.

XIX. Rail Transport

14.33. India is a vast country stretching 3220 kms. from North to South and almost the same distance from West to East. Rail travel will have to be in the main depended upon for reaching various parts of the country for a considerable time to come. It is essential that the Railways adopt a more tourist oriented approach. It is further hoped that tourists in the younger age groups are at present visiting India in large numbers. Since the young tourists generally travel on a limited budget, it is considered that the current youth influx does justify greater attention being paid to rail facilities. Railways should examine the difficulties of the foreign tourists in depth, in consultation with all concerned and evolve a satisfactory and efficient procedure, for making reservation facilities available to the tourists on an assured basis.

XX. Travel Trade

14.34. There is no denying the fact that Travel Agents play a vital role in the growth and development of tourism in a country. Keeping in view the role expected of the Travel Agents as the creator and developer of new tours and new ideas coinciding with personal service, it is important that Travel Agents are afforded the necessary facilities and incentives more liberally viz., adequate release of foreign exchange for opening offices abroad to supplement the efforts of Department of Tourism; encouraging them to organise package tours for various interests i.e., wild life tours etc. so that the foreign tourists receive the much needed personalised service.

14.35. In view of the mushroom growth of travel agents, it is considered necessary to control and regulate the activities of non-re-

cognised travel agents in the country. The constitution of Central Coordinating Committee to grant recognition to Indian Travel Agents. is a welcome step. It is hoped that with the constitution of the Central Coordinating Committee, multipilicity of procedures which were hitherto being adopted by various Government Departments, viz., Airlines, Railways, Passport Authority, Reserve Bank, Department of Tourism etc., would be eliminated and the entire power of recognition would now vest with the Central Coordinating Committee. is hoped that this body would consider all applications for recognition and once recognition has been granted by such a body, the travel Agents concerned would be authorised to carry on business with all Departments|Organisations|Undertakings of the Government of Inda. The new system it is felt will safeguard the travelling public which utilises the services of travelling agents, from the undesirable activities of non-recognised Travel Agents. It is also suggested that in order to make Central Coordinating Committee more representative and broad-based the nominees of the Reserve Bank, Airlines, Railways etc. may also be associated with that Committee. In this connection the Japanese method of recognition where no Travel Agent is allowed to handle travel business in Japan without holding a licence issued by the Tourist Industry Division of the Ministry of Transport in Japan is commended. . .

XXI. Entertainment

14.36. No serious attempt has been made to formulate a comprehensive scheme for the development and promotion of entertainment and recreational programmes to cater particularly to the taste of foreign tourists even after two decades of tourism planning. In spite of the recommendations of the Estimates Committee (1968-69) their 90th Report on the Ministry of Tourism and Civil Aviation and valuable suggestions made in the various Reports-JHA Committee Report (1963), Report on Cultural Tourism in India (1969). U.N.D.P. Team Report (1970)-the initiative has been left entirely to the nonofficial agencies, with the result that nothing much has been done in this matter since 1963. It is, therefore, stressed that efforts should be made to implement the recommendations on "Entertainment" contained in the various Reports mentioned above in letter and spirit urgently. It is felt with more ingenuity and intelligent utilisation of the rich heritage of song, music, dance and culture that we have in the country, it should not be difficult to present entertainment facilities in a much more effective manner than has been possible hitherte. 12

XXII. Training of Personnel

14.37. It is noted that in India, training for hotel and catering industry takes place in two types of institutions viz., (i) Institutes for Catering Technology and Applied Nutrition and (ii) Food Craft Centres. It is further noted that no institute of standing exists for the training of personnel in the general field of tourism. The Department of Tourism, however, arranges some refresher courses for Guides etc., and language courses in French, German and Japanese for different segment of tourist personnel. Some training opportunities in various fields are also stated to have been secured by the Department of Tourism through the international organisations and under the Indo-German Technical Assistance Programme for Central and State Tourism officers, the I.T.D.C. and the Institutes of Hotel Management and Catering at Delhi and Bombay.

14.38. It is noted that a German Company Steigenberger Consulting in its Report on Tourism Training had observed that "....the achievements of these institutes (Catering Institutes and Food Craft Centres) to meet the requirements of hotels and catering institutions have been recognised but it is pointed out that the standard of training cannot be compared to those of Hotel Schools in the United Kingdom or Europe. A great deal of improvement is necessary to raise the standard of the schools with the help and advice from abroad. In general, the institutes and centres are considered to be very badly equipped both with regard to quantity and quality ...," It is also noted that the Federation of Hotel and Restaurant Associations of India have also made a number of useful suggestions for the improvements in both the quality and quantum of instructions being imparted by these institutes. Urgent attention and implementation is required in respect of some of these suggestions viz., (i) Need for revision of the Syllabus of Catering institutes to provide for the management material for the fast expanding hotel industry; (ii) affiliation of management courses run by the institutes to the University of Delhi and Bombay and raising it to B.A. and B.Sc. level; (iii) need for import of competent teachers from abroad as the majority of the present teachers in the institutes had little knowledge/ experience of the industry so essential for effective instructions; (iv) Need for bifurcation of courses into craft and management courses; and (v) Need for separate establishments for specialised management studies.

14.39. The hoteliering industry and the travel trade are also equally worried about the inadequacy of training facilities for training personnel in the field of Hotel and Catering Industry and in the field of Tourism. It is, therefore, felt that there is a national need for training of instructors for the Catering Institute and Food Craft Centres and a management institute for the education of top-level managers in the hotel industry.

14.40. It is noted that if the hotel, travel trade and tourism industry is to flourish in India, and we are to keep abreast of tourism development it would not be sufficient to simply provide the physical facilities. The problem of training the present personnel as well as the recruitment of future skilled personnel has also to be solved. Further, intended increase in tourist traffic and the planned development of accommodation and restaurant capacities to meet the requirements of projected arrival of one million tourists by 1981, will aggravate the problems considerably. It is felt that not much had been done so far in the matter of training of personnel in the hotel and catering industry and in the field of tourism. It is considered that the development of training facilities for the successful execution of Master Plan for tourism development as of paramount importance. There is thus an urgent need for formulating a full scale training programme in consultation with hotel and tourist industry both in public and private sectors, to meet all the trained human resources requirements of tourism industry in India which should include manpower projections and training at all levels. ţ

14.41. The proposed setting up of the National Institute for Tourism was a step in the right direction. It is hoped that the Institute would cover all aspects and would ensure the availability of trained personnel at all levels and would be able to meet the needs of hotels, travel agencies, airlines transport operators, Government Tourist Organisations etc. Till such time the Institute of Tourism gets going it is felt that the Department of Tourism to work out some ad hoc arrangements to draw up some training programmes/refresher courses by providing in-service training in the leading hotels of the country. The inclusion of tourism in vocational courses for B.A. in the Delhi University was a welcome step. They would also emphasise the need for training of Managers and also for training and improving the skills of cooks, bakers etc.

XXIII. Wild Life Tourism

14.42. Indian Wild Life is a fascinating assemblage of species and this rich floristic and faunistic group if developed properly could turn out to be an extremely valuable tourist asset, partculary in combination with other places of historical and cultural interest. Wild Life Tourism can become a major source of foreign exchnge earnings for India besides internal tourism boosting economic activities in the various regions. Presently in India Wild Life Tourism is in its infancy and was basically confined to "Shikar" outfitters and their foreign clients and foreign tourists visiting some of the National Parks and Wild Life Sanctuaries.

It is noted that realising the importance of Wild Life Tourism, Government have made a provision of Rs. 60 lakhs for augmentation of transport and accommodation facilities in selected games sanctuaries and efforts are being made to provide these facilities at a quicker pace. In order to achieve maximum results, it is, however, necessary to clearly define the position of Department of Tourism vis-a-vis wild life conservation in general and wild life tourism in particular and there should be complete understanding between the Department of Tourism. Inspector-General of Forests at the Centre, State Governments and the State Forest Department. It is noted that although many of the National Parks and Sanctuaries in India have a variety of Wild Life it is not always accessible to visitors. The Department of Tourism should actively associate itself with measures to make wild life more accessible by providing good approach roads, lodges to accommodate group tourists and other visitors and facilities like camping, rapid communications system and local transport inside the park, for those who go by public transport. The Department of Tourism can also look after organised interpretation programmes at site supported by will-produced literature to attract tourists to the National Parks/Games Sanctuaries.

XXIV Organisational Set-up

14.43. Tourism as a factor of international trade has reached such dimensions that in 1968 it earned \$ 14 billion, roughly twice that of the world's oil industry. A country like Italy with a long tourist tradition now earns roughly \$ 1.6 billion annually. In recent years, dramatic increases in tourist traffic have taken place in Spain, which now annually earns about \$ 1.3 billion. U.S.A. receives the largest earning from tourists, \$ 1.82 billion in 1967, with tourism as the second largest foreign exchange earner coming only after the export of cars at \$ 2.2 billion. Eire (population about 3 million) earned roughly \pounds 100 million sterling in 1969. In India, as has been demonstrated in other countries, tourism can also become a major source of foreign exchange. In 1969, arrival of 2,45,000 tourists, representing a 39 per cent increase over 1968, earned Rs. 33.11 crores. Based on the estimates calculated by the Indian Institute of Public Opinion with an average tourist now spending about Rs. 1,360 have. India would earn

Rs. 55 crores in foreign currency in 1973. It is, however, felt that India has not done as well as some other countries, to attract foreign visitors. While Wold tourist expenditure increased 24 per cent from 1958 to 1967, India's share in this fell from 0.67 per cent in 1958 to 6.24 per cent in 1967. On the other hand, countries like Yugoslavia and France between 1952-62 increased their share by about 900 per cent. It is felt that a more pragmatic approach and a dynamic programme can win India its rightful place in the highly competitive World tourist market, a programme based on tourist satisfaction identified through market research, development of services and facilities to meet tourist wants, and sound marketing procedures. In this connection, it is noted that in countries like Mexico and Spain tourism represents between 45 and 50 per cent of the total export earnings and even in the U.S.A. and U.K. earnings from tourism stand second and fourth respectively in order of export earnings. It is felt that in order that India occupies its rightful place in the world of tourism, the first premise for increased tourist traffic must necessarily be the creation of adequate tourist infra-structure in the country. In addition, the required tragets can only be reached if the national tourist organisation has all the necessary resources, competent staff. adequate funds and the necessary freedom in operation.

In this connection, it is noted that the estimates of the increase in tourism over the next decade are staggering. Air travel the world over has been growing on an average 13.5 per cent a year since 1961, according to IATA and the volume is expected to double by 1970, triple by 1975. In the coming decade with the introduction of Jumbo Jets, traffic to India would also increase. Given the proper proportional selling efforts and matching action to provide what is called the tourist infra-structure, it should be possible to reach a target of one million tourists by 1980. In view of the potential growth of tourism in coming years, the national tourist organisation should be one which is capable of tackling and coping with a multitude of problems, keeping in view the broad objectives and the goals of tourism development of this country.

14.44. For a field organisation, it is absolutely essential that decisions should be taken in time and should reach all formations in clear and unembiguous terms. It is, therefore, essential that the setup for tourism, both for policy-making and implementation, should be fully responsive to the challenges of the task and be willing to have an open mind to assimilate the best ideas, anticipate and analyse the trends in tourism and take quick executive action to prepare the ground for provision of the requisite facilities. In this connection, attention is drawn to the recommendations made by the IIPA on the set-up for tourist organisation.

14.45. It is also pertinent to recall that for a number of years, the key post of Director-General of Tourism was not filled up and the work was carried on by an officer of the rank of Additional Director-General of Tourism. It is only recently that an officer has been appointed as Director-General of Tourism with an ex-officio status of an Additional Secretary. It need hardly be emphasized that the key executive portfolio in tourism should be manned for a length of time, so as to ensure stability and continuity in the implementation of tourist development programme. Government should examine in depth the recommendations made by IIPA and take suitable action to see that the set-up for tourism has the requisite flexibility of approach and power for action.

14.46. Tourism requires a considerable degree of coordination between Central and State Governments. It is, however, noted that no formal demarcation has been made between the functions and responsibilities of the State and the Central Tourist Departments. By and large State Governments were responsible for home tourism. and Centre for international tourism. It is further noted that the degree of interest shown by the various States in tourism varies a great deal. It is considered that for achieveing effective communication and liaison at the various level an important step was the definition by agreement of functions of Central and State Governments Tourist Department so that there is no duplication or wastage of effort and money and all fields of tourism are covered.

XXV. National Tourism Board

14.47. It is noted that there already exists, the Tourist Development Council entrusted with the function of recommending measures necessary for the promotion of tourist traffic to India from other countries and from one part of the country to the other. Added to this, are the four Regional Tourist Committees one each for the Northern, Southern, Eastern and Western Regions set up for implementing the Tourist Development Council recommendations bv regular regional consultation and better coordination hetween the Centre and States. It is further noted that the Department of Tourism has created another apex body National Tourism Board to advise the Minister of Tourism, relating to the improvement of tourism infrastructure in all its aspects, and to suggest ways to coordinate tourism schemes and activities in the public and private sector. It is noted that the National Tourism Board has not been delegated with any executive or financial powers. In the absence of any such powers, they are not able to comprehend how far such a body can prove to be effective instrument for successful execution of tourism plans and policies.

14.48. To sum up, it may be stated that as a tourist attraction India possesses the basic raw material: all it needs is the proper development and promotion. Tourism memorandum on the Fourth Five Year Plan says succinctly, "Our primary need is more hotel beds, better and more adequate transport, proper accommodation at places of tourist interest, creation of new resorts which would attract destination traffic, proper approach roads to and adequate maintenance of monuments. It is also necessary that the tourists have been clean wholesome food not only in the hotels where they stay but also at various places where they go. It is equally necessary that the tourists are able to secure timely confirmation of their seats on airlines and railways, that the facilitation services at entry and exist points are courteous and helpful, that the nuisance of beggars is climinated, that the rigours or red tape soo bitterly complained against are softened to the maximum. Lestly, it is necessary to create an all round atmosphere of warmth and friendliness for tourists. No substantial efforts in the areas mentioned above can be achieved without strengthening the organisation at headquarters. We have also to create a new dimension in our publicity and promotional programmes and a more effective coordinations with State Governments and with other Departments of the Central Government concerned with tourism. Of equal importance is the enlistment and support from local bodies and private sectors including travel agents, transport operators etc." This statement is a complete programme for the growth and development of tourism in India. The need of the hour is concerted and sustained efforts by all the segments of the tourist industry to implement the above policities with utmost speed and expectation.

New Delhi;

April 18, 1972. Vaisakha 4, 1895 (Saka)

> KAMAL NATH TEWARI, Chairman, Estimates Committee.

APPENDIX I

(See Para 4.1)

Statewise distribution of Tourist Centres in India

Name of the State				e	Name of the Centre		
Andhra P	radesh	•	•	•	Nagarjunasagar & Konda, Warangal, Hyderabad, Amravati,. Tirupathi, Visakhapatnam.		
Assam	•	•-	•	٠	Shillong-Gauhati, Cherapunjee, Kaziranga & Manas.		
Bihar	•			•	Nalanda, Rajgir, Bodh Gaya, Gaya, Palamau, Nëtarhat, Patna, Barhi, Rarchi, Hazaribagh, DVC Area, Top- chanchi, Hundrufalls.		
Delhi	٠	٠	•	•.	Delhi.		
Gujarat	•			•	Lothal, Porbandar, Verawal, Ahmedabad complex, Sassangir complex, Chandola, Lothal, Nalsarovar Modhera, Sabarmati Ashram, Adalaj, Sarkhej.		
Jammu 8	k Kashn	nir		•	Martand, Srinagar, Gulmarg, Pahalgam, Nagin Lake area, Ganderbal, Mansbal area, Mughal Gardens.		
Kerala			٠	٠	Trivandrum, Kovalam, Cöchin, Përiyar Wild life sanctuary, Churuthurthy, Cannanore, Kuttanad, Thekkaddy, Viakram, Kottayam, Alwye.		
Madras				•	Kanya Kumari, Mahatalipuram, Kanchipuram, Tri- churapalli, Madurai, Nilgiris, Tanjore, Ootacamaund, Trichundur, Kodaikanal, Rameshwaram:		
Madhya	Pradesl	h.			Gwalior, Khajuraho, Sanchi, Nandu, Bhopal, Jabbal- pur, Kanhak Kisli, Ujjain, Shibpuri.		
Maharasi	ntra '				Ajanta, Ellera, Aurangabad, Erangal, Pithalkhor Caves Aurangabad, Kihim sea side resort, Juhu, Wardha, Tadoda Game sanctuary, Vaireswari Hot Spring, Elephanta Caves, Mahabeleshwar, Bombay.		
Mysore					Bijapur, Belur, Badam, Aibholi, Somnathpur, Hassan, Holebid area, Mangalpore, Bangalore, Mysore, Bandapuri area, Jogfalls, Nehru Lok, Sravan-belgola, Coorg, Tungabadhara, Mercara area.		
Orissa .	•	•-	•	٠	Puri, Konarak, Bhubaneshwar, Lalitgiri, Chilka Lake, Ratnagiri, Udaipuri, Rambha, Gopalpur on Sea.		
Haryana	•	•		•	Surajkund, Badkhal, Pinjore, Sohna.		
Rajasthan	۰.	٠	•	•	Jaipur, Chittorgarh, Jaisalmand, Ajmer, Mt. Abu, . Jaiselmer, Udaipur, Siliserh, Jodhpur, Bharatpur, . Sariska:		

Uttar Pradesh		•	•	•	Agra, Varanasi, Allahabad, Lucknow, Hardwar, Kumaon and Garhwal, Hills, Shahtradhara, Naugarh.
West Bengal .		•	•	•	Calcutta, Shantiniketan, Nalda, Darjeeling, Jaldapara, Durgapur.
Goa, Daman &	d Diu			•	Goa-region.
Himachal Prac	lesh	•		•	Gobindsagar, Simla, Naldhera, Mashobra Chharabra, Kufri, Mandi, Kangra, Manali, Dalhousie, Chanba, Narkanda, Dharamshala.
Punjab	•	•	•	•	Nangal, Amritsar.

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(See Para 13.43)

List of Members of the Tourist Development Council (1972)

- 1. Dr. Karan Singh Minister of Tourism and Civil Aviation, New Delhi—Chairman.
- 2. Dr. (Smt.) Sarojini Mahishi, Minister of State for Tourism and Civil Aviation, New Delhi-Vice-Chairman.
- 3. Member (Industries) Planning Commission, New Delhi.
- 4. Minister for Tourism, Government of Andhra Pradesh, Hyderabad.
- 5. Minister for Tourism, Government of Assam, Shillong.
- 6. Minister for Tourism, Government of Bihar, Patna.
- 7. Minister for Tourism, Government of Gujarat, Ahmedabad.
- 8. Minister for Tourism, Government of Haryana, Chandigarh.
- 9. Minister for Tourism, Government of Himachal Pradesh, Simla.
- 10. Minister for Tourism, Government of Jammu and Kashmir, Srinagar.
- 11. Minister for Tourism, Government of Kerala, Trivandrum.
- 12. Minister for Tourism, Government of Madhya Pradesh, Bhopal.
- 13. Minister for Tourism, Government of Maharashtra, Bombay.
- 14. Minister for Tourism, Government of Manipur, Imphal.
- 15. Minister for Tourism, Government of Meghalaya, Shillong.
- 16. Minister for Tourism, Government of Mysore, Bangalore.
- 17. Minister for Tourism, Government of Nagaland, Kohima.
- 18. Minister for Tourism, Government of Orissa, Bhubaneshwar.
- 19. Minister for Tourism, Government of Punjab, Chandigarh.
- 20. Minister for Tourism, Government of Rajasthan, Jaipur.
- 21. Minister for Tourism, Government of Tamil Nadu, Madras.
- 22. Minister for Tourism, Government of Tripura, Agartala.

- 23. Minister for Tourism, Government of Uttar Pradesh, Lucknow.
- 24. Minister for Tourism, Government of West Bengal, Calcutta.
- 25. Chief Executive Councillor, Delhi Administration, Delhi.
- 26. Minister for Tourism, Government of Goa, Daman and Diu, Panaji.
- Minister for Tourism/Chief Secretary of a Union Territory (not permanently represented).
- 28. Secretary, Ministry of Tourism and Civil Aviation, New Delhi.
- 29. Director-General, Department of Tourism, New Delhi.
- 30. Director-General, Department of Civil Aviation, New Delhi.
- 31. Director-General, Archaeological Survey of India, New Delhi.
- Inspector-General of Forests, Ministry of Food and Agriculture, New Delhi.
- Representative of Ministry of Works, Housing and Supply, New Delhi.
- 34. Representative of Ministry of Finance, New Delhi.
- 35. Representative of Ministry of Railways, New Delhi.
- 36. Representative of Ministry of Transport and Shipping, New Delhi.

Nine Members of Parliament (37-45)

- 37. Shri D. S. Afzalpurkar, M.P.
- 38. Shri S. A. Shamim, M.P.
- 39. Shri Shambhu Nath, M.P.
- 40. Shri Purshottam Kakodkar, Goa, Daman and Diu, Pradesh Congress Committee Central Office, Panaji.
- 41. Shri G. Vishvanathan, M.P.
- 42. Shri P. Venkatasubbaiah, M.P.
- 43. Shri Loka Nath Misra, M.P.
- 44. Shri N. K. Bhatt, M.P.
- 45. Shri Malhupra Vero, M.P.

Nine Distinguished Members of Public (46-54)

- 46. Shri Zafar Futehally, Juhu Lane, Andheri, Bombay.
- 47. Shri C. Ramakrishna, 22, Taylors Road, Kilpak, Madras.
- 48. Shri Anna Rao, Sriniketan, Deervani Nagar, Bangalore-16.

- 49. Shri Dharam Prakash, N-14, North Avenue, New Delhi.
- 50. Shri Gulam Ahmad, C/o Gulam Mehidin and Sons, Residency Road, Srinagar.
- 51. Shri H. S. Rama Rao, C/o Modern Motors, Hubli (Mysore).
- Kumari Swarupa Das, C/o James Warren & Co. India Ltd., 31, Chowringhee Road, Calcutta—16.
- 53. Shri S. D. Ubhayakar, 21, Spencer Road, Bangalore-5.
- 54. Begun Ali Yavar Jung, Raj Bhavan, Bombay.
- 55. President, Federation of Hotel and Restaurant Associations of India, Taj Mahal Hotel, Bombay.
- 56. President, Travel Agents Association of India, C/o Ashok Travel Pvt. Ltd., P.O. Box 1484, India House, Trichy Road, Coimbatore—18.
- 57. President, Shikar Outfitters Association of India, Jumna Bhavan 3/14, Asaf Ali Road, New Delhi.
- 58. Shri K. G. Subramanian, Hony. Secy., Federation of Indian Automobile Association, P.O. Box 211, Bombay.
- 59. Federation of Indian Chambers of Commerce and Industry, Federation House, Bazar Marg, New Delhi—1.
- 60. Managing Director, India Tourism Development Corporation, New Delhi.
- 61. Indian Airlines, New Delhi.

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62. Air-India, Air-India Building, Mahatma Gandhi Road, Bombay.

Statement showing Summary of Recommendations

Serial No.	Reference to Para No. of the Report	Summary of Recommandations
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The Committee note that besides the aspect of foreign exchange earnings, tourism has also a marked 'Multiplier Effect'. The Committee also note that "the full implications of multiplier system have not vet been studied in detail, because there has been inadequate research. The Committee further note that "....the overall analysis clearly established the basic premises that the total economic benefits from tourism are very much greater than the foreign exchange earnings; that the combination of the turn over through the application of the Tourism Multiplier effect and the local taxes result in substantially greater revenue than the total plan expenditure....". The Committee would. therefore, recommend that the cost benefit study on various aspects of tourism may be taken up immediately to high-light the role of tourism in the economic growth of the country.

It is distressing that after two decades of planning, the Department of Tourism has not been able to gear fully its organisational set up for planning and implementation of the various schemes included in the successive five year plans. The position regarding utilisation of funds so far even during the Fourth Plan period seems far from satisfactory. As against a allocation of Rs. 1833.57 lakhs during the first three years of Fourth Five Year Plan, actual expenditure both for the Department of Tourism and

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I.T.D.C. was of the order of Rs. 1083.17 lakhs. Instead of identifying the factors which imped-ed the utilisation of funds during the Second and Third Plan period and taking remedial measures to ensure a fuller utilisation of funds, the sameold reasons for the shortfall in the plan outlay when the Fourth Plan period is coming to a close are still being advanced viz., (i) nonformulation of the details of schemes before the commencements of the Fourth Plan; (ii) delay in the appointment of executing agencies: (iii) inadequacy of the organisational set up of the-Department of Tourism; (iv) delay in completing codal formalities and (v) delay on the part of the executing agencies wherever appointed. In the Committee's view there is no use of making a plan which cannot be executed and successfully implemented. The Committee are constrained to note that even for the execution of the schemes in the Fifth Five Year Plan period no serious thought is being bestowed for laying greater emphasis on the fundamental' significance of structuring and manning proper-The Committee, ly the tourist organisation. therefore, feel concerned about the approach to the whole problem of growth and development of tourism in the country by the Department of Tourism. They have, therefore, spelt out their suggestions for the reorganisation of the Department of Tourism in their chapter on "Organisa-Committee tional set up" at the end. The would very much like that the mistakes committed during the earlier Plans are not repeated during the Fifth Plan period. They would urge that expeditious measures should be taken to finalise the tourism development schemes to be taken up during the Fifth Plan period so that the work on the schemes could be started without ioss to time.

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2.19 The Committee would further recommendiated that corrective measures to streamline the procedures and the working of the Department of Tourism be taken so that the factors which hampered the progress of schemes during the earlier plans are eliminated. The Committee would also like Government to ensure that the financial provision made in the Fifth Plan are fully utilised on judiciously selected schemes.

3.12 The Committee note that India has many things to offer for tourism. It has scenic beauty in its mountains, sea-side places and its forests. It has an unlimited number of historical monuments of great interest. It has places of architectural beauty and above all, it has an extraordinary diversity of people who are warm and friendly, a point of special attraction from the point of view of foreign tourists. The Committee are, unhappy to note the slow progress in the development of tourism in the country as is borne out by the fact that the total tourist arrivals in India constituted 0.12 per cent only of the world tourist traffic in 1966 and per cent only in the year 1972. In terms of percentage it means that whereas the total world turnover increased by 359 per cent during 1960 to 1971, India's turn over increased only by 104.6 per cent with the result that India's share of the World turn over decreased from 0.67 per cent in 1960 to 0.27 per cent in 1971.

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The Committee note that the Department of Tourism had originally fixed an ambitious target of 600,000 tourists by 1973 with a view to stimulate the various sectors of the industry to much greater efforts in developing and promoting tourism in the country. These targets were, however, revised and fixed at 400,000 tourists by 1973, consequent on the prunning down of the allocations for tourism in the Fourth Five Year

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Plan. The Committee note that a total of 342,950 tourists had visited India during 1972. On the basis of these arrivals, the Ministry expects that targets of 400,000 tourists by 1973 would be realised. The Committee further note that in order to attain a target of 1 million tourist arrivals by 1980, India would require a compound growth rate of 14 per cent over the 1973 targets of 400,000 tourist arrivals. The Committee further note that to achieve a target of 800,000 tourist arrivals by 1978 and one million arrivals by the end of the decade (1980), an annual growth rate of 15 per cent upto 1978 and 12 per cent thereafter would have to be attained. The Committee observe that India had already attained the growth rate of 13.6 per cent during 1965-70. The Committee, therefore, share the hope of the Minister of Tourism and Civil Aviation expressed at the 21st Annual Convention of Travel Agents held at Srinagar on the 23rd April, 1972 that the target of reaching 800,000 tourist arrivals in India by 1978 and one million mark by 1980 would be achieved. In order to achieve the stipulated target the Committee need hardly stress that the basic requirements for promotion of tourism viz., (i) hotel accommodation of interprovision of national standards; (ii) adequate air transport (both international and domestic); (iii) vastly improved rail and road transport facilities; (iv) provision of necessary off-site improvements for development of tourist resorts; adequate entertainment facilities etc. are provided at a much quicker and speedier pace than was hitherto being taken. There is need for sustained and vigorous effort on the part of Department of Tourism and other connected agencies to build up the requisite infra-structure to make confortable the stay of one million tourist in India by 1980.

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The Committee note that in 1971, an increase of 7.2 per cent was recorded in tourist arrivals in India over 1970. Though U.S.A. and U.K. continued to occupy the first and second positions as the countries of origin of tourists to India Ceylon which ranked third in 1970 moved down to the sixth position and West Germany moved up to the third position. The major increase in tourist arrivals during 1971 was from Malaysia (6.925) followed by Tanzania (3.324), Kenya, (3,043) and Singapore (2,705). Tourist arrivals from Tanzania more than doubled in 1971 as compared to 1970. Tourist arrivals from Japan registered about three-fold increase between 1961 and 1971 and exceeded those from Australia for the first time in 1971. The Committee would like to stress that greater promotional efforts be made in the countries from where the flow of tourists to India is not at present appreciable. Government should also take careful note of the trends in tourist traffic with reference to areas of origin so as to reinforce efforts in such promising areas.

As per the statistics furnished by the Departthat ment of Tourism the Committee note country like Thailand was receiving more than double the number of tourists India. than Similarly Iran had also made significant progress in recent years and was now well ahead of India. Of late Afghanistan had also achieved a considerable rate of growth tourist in imperative that therefore. arrivals. It was. concerted India should make sustained and efforts to keep pace with the countries in the region so far as the flow of tourist traffic was concerned. In the Committee's view one way of doing this was by achieving greater co-operation amongst the countries in the region. The Committee would like to point out that there are many example of regional co-operation for

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example the Alpine countries, CanMexUs (Canada, Mexico, United States), Great Britain. and Ireland, where besides having combined centres for staff training; provision of tours covering the countries involved; collective area promotion, there is continuing exchange of experience and information between the constituent countries on their domestic traffic and on inter-regional originating traffic. On this analogy, the Committee would commend the concept of regional cooperation between countries like India, Nepal, Ceylon, Afghanistan and Iran for organising joint programmes for promoting the region.

3.34 The Committee note that the average stay of tourists in India from different regions worked out to 25.3 days during the year 1971. They hope that with the various steps being taken by Government to attract the flow of tourists to India the average stay of tourists in the country would be for a longer period than 25.3 days as recorded during the year 1971 and there would be increased earnings of foreign exchange from the tourists.

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The Committee note that there is perhaps no other single country in the world which contains the wealth and diversity of tourist attractions that India offers to visitors. Whether it is the magnificient Himalayas or the three mighty oceans that meet at Cape Comorin, the incomparable Taj Mahal or the great temple cities of South India with their breath-taking architecture and sculpture, the wild life sanctuaries where the Indian tiger still roams in majesty or the glittering beaches of Goa, Kerala and Mahabalipura, the frescoed caves of Ajanta or the rock-cut splendour of Elephanta, the erotic sculpural ecstasies of Khajuraho or Halebid and Belur; the fabled vale of Kashmir; the modern

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attractions of our four great metropolitan cities of Delhi, Bombay, Calcutta and Madras, fact remains that the India abounds with numerous places of tourist attractions. While the Committee note that good deal of efforts are being made to develop places of tourist interests to attract foreign tourists, much remains to be done to develop places which attract home tourism. In the Committee's view both the foreign tourism as well as domestic tourism are important. While foreign tourism brings foreign exchange and promotes international understanding. domestic tourism fosters national integration and instills amongst the people the consciousness of a single nationhood. The Committee, therefore, considers that while sustained and concerted efforts should continue to be made to develop places to attract foreign tourists, a strong tourism consciousness should also be created in the country among the Central and State Governments, the local bodies, the tourist, travel trade and hoteliering industry to create infra-structure for home tourism at much more rapid pace than hitherto.

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The Committee would, therefore, stress that comprehensive surveys be undertaken to identify and develop places of tourist interest in the country as a whole, with a view to identify places for immediate development which are likely to attract foreign tourists and those which would attract home tourists.

The Committee note that the progress of 4.18 development of Tourism in various States varies While some of the States have considerably. made considerable headway in the development of areas of tourists importance in their respective States, there are other States, where the provision of basic infra-structure to attract tourism has not kept pace with the growth of tourist traffic in the country.

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The Committee further note that numerous efforts have been made to prepare various schemes/programmes for the development of tourism in India. The Committee also note that foreign experts and the United Nations Development Programme Team have also applied their mind and have suggested various measures in their reports submitted to the Department of Tourism. In the Committee's view, while all concerned are aware of the problems faced by the tourist industry and their solutions are also outlined, what is perhaps lacking is implementation. This is primarily due to the absence of a master plan integrating all these projects into a whole fabric for a coordinated growth and development. The Committee would, therefore, recommend that the Government should draw up a perspective master plan for tourism on all India basis, so as to provide a frame-work for the next and subsequent Five Year Plans and to determine priorities.

4.22 A number of non-official organisations who appeared before the Committee urged that Government should formulate a tourist promotion policy and bring it forward as a Resolution, so that the policy in this behalf is put on a stable and assured basis. The Committee would like Government to examine this matter in all its aspects. The Committee feel that it would certainly be helpful if the national policy concerning tourism could be laid down in some depth and firmness, so as to provide a clear framework for implementation at all levels.

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The Committee note that the Gulmarg Winter Sports Project with an estimated outlay of Rs. 111.30 lakhs was cleared by the Expenditure Finance Committee in 1968. The hotel component of the project estimated at Rs. 32.00 lakhs

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for a three star hotel was transferred to the India Tourism Development Corporation, thereby reducing the outly of the project of the Department of Tourism to Rs. 79.30 lakhs. The Committee note that out of this amount Rs. 39.78 lakhs constituting 50 per cent of the outlay had been spent upto the period ending 31st March, 1971. Due to escalation in costs and subsequent enlargement in the scope of the project it was recast with an outlay of Rs. 250 00 lakhs (inclusive of the expenditure already incurred). The Committee note that a further expenditure of Rs. 9.76 lakhs was incurred upto 31st March, 1972 bringing the total so far spent on the project to Rs. 49:54 lakhs. The salient features of the scheme are:-

- (i) A road from Tangmarg to Gulmarg (already completed except for black-topping and other minor works).
- (ii) Erection of an aerial passenger ropeway chair-lift and ski-lift.
- (iii) Establishment of a Ski School.
- (iv) A ski-hire shop.

- (v) Snow-clearing operations.
- (vi) Furchase of ski-mountaineering and snow-clearing equipment.
- (vii) Construction of restaurant/cafeteria at Gulmarg and Khilanmarg.
 - (viii) Preparation of a Master Plan of Gulmarg.
 - (ix) A 60-room centrally-heated hotel will be constructed by the India Tourism Development Corporation at an estimated cost of Rs. 110.00 lakhs.

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The Committee hope that the completion of the Gulmarg winter sports Project will augment tourist traffic to India.

31 4.36 Man has a great fascination for sea. In the Western countries, such as, France, Italy and Spain, beach resorts have been developed Ъν providing accommodation and varied recreation. The sea water has been fully used for water sports like sea bathing, skiing, fishing, boating and vachting. Thus, the sea side resorts have become very popular with the tourists all the world over. The Committee are glad to note that the Department of Tourism have launched the Kovalam Beach Resort Project. The main components of the project are: (i) A beach service centre comprising administrative office, information office, shops and restaurant; (ii) A yoga-cum-massage centres; (iii) A jetty with boat house and recreational facilities: (iv) an open-air theatre; (v) A 100-room hotel; and (vi) 40 cottages. The Committee hope the completion of the Kovalam Beach Resort Project will give a big boost to the flow of tourist traffic to India.

> 4.37 The Committee note that the UNDP Beach Resort Development Survey Team undertook a field survey of the beaches at Kovalam, Goa and Mahabalipura in November-December, 1972 and their report was expected by July, 1973. The Committee hope that further development of Kovalam Project would be determined in the light of the Report of the UNDP Survey Team.

4.40 The Committee note that Goa is one of the most interesting areas which could be developed to become a centre of tourism. It has lovely beaches of Kolva, Calangute and Dona Paula, gentle coasts, palm woods and very charming scenery in the back country. Apart from the

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scenic beauty, Goa abounds in historical landmarks and monuments, churches, temples, ports. Combined with the natural attractions of the land, location of Goa on the West Coast of India not far from Bombay, offers a vast scope for drawing tourists both international and domestic.

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The Committee note that Government had made a provision of Rs. 20.00 lakhs in the Fourth Plan period for the development of beaches at Goa and a beach resort development survey was expected to be completed shortly. The Committee would recommend that to exploit the tourist potential of Goa, a compact and integrated plan with long term objectives should be formulated. The aim of such a plan should be comprehensive development of tourist beach resorts, roads, hotels and other ancilliary facilities and amenities like development of handicrafts, folk dances and folk music.

- 4.42 The Committee have no doubt that Government would keep in view, the necessity for preserving the pristine beauty of Goa and its incomparable beaches, while deciding the location of new industrial ventures.
- **42** 4.44 The Committee welcome the proposed development of Bodhgaya-Rajgir-Nalanda complex. The Committee hope it would help the flow of tourist traffic from countries like Japan. Thailand, Burma and Ceylon, who have sizeable Buddhist population.
 - 4.45 As is well-known, international interest is being increasingly evinced in the religions of India. The Committee would, therefore, like Government to keep this potentiality in view while considering schemes for established pilgrim centres.

 		 	
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The Committee note that there was at present no Tourist Department in Andaman and Nicobar Islands with the result that no specific measures had been taken to encourage the flow of tourists to the territory. The Committee further note that the tourist infrastructure in the territory viz., hotels, road transport etc. were also lacking. The Committee would, therefore, stress that a proper survey for assessing tourist facilities in the territory was of paramount importance to evolve suitable development programmes. The Committee would, therefore, recommend that survey of the tourist spots in the territory might be attempted and also a wellcoordinated perspective plan formulated for the growth and development of tourism in Andaman and Nicobar Islands.

The Committee are convinced, after a visit 4.54 to the Andaman and Nicobar Islands, that these have great potential for tourism. The islands are located away from the mainland and this, in itself, should offer an exciting trip, particularly The Committee for the younger generation. regret that no concrete steps have so far been detailed survey of these taken to carry out islands, nor develop centres of tourist interest. The Committee feel that as Government have now the expertise and experience of developing such sea tourist centres by ITDC, a survey of the islands should be urgently carried out, with a view to locate beaches and other centres which would be of tourist attraction.

4.55 As regards foreign tourists, the Committee have no doubt that Government would examine the matter in all its aspects, keeping in view the fact that there is a growing trend the world over, for spending vacations at places which have sun and surf facilities; and these abound in Andamamand Nicobar Islands. (1) (2)

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The Committee consider it regrettable that after two decades of tourism planning, it has not been possible so far to evolve a proper overall development plan for areas around places tourist interest. In this connection, the Committee note that the biggest tourist attraction in India is the Taj Mahal, yet the town of Agra and the suburban areas present a very distressing picture, when it could have been developed as one of the world's most attractive tourist spot. The Committee would stress that it should be possible for the Central Department of Tourism to persuade the State Governments local bodies in each of these towns to adhere and conform to a Master Plan drawn up for development of places of tourist importance.

4.60 The Committee further consider that if we have to attract tourists in sufficient numbers, it was of paramount importance that tourist centres and more particularly places which are more frequented by foreign tourists, must have the basic amenities such as cafeteria, clean toilet facilities, suitable resting area and clean environment. The Committee would, therefore, recommend that necessary steps may be taken in this regard.

15 4.66 The Committee note that at present Government gives certain incentives to industries set up in specified backward regions. On the same analogy the Committee would like Governmen' to examine whether the Hotel Industry too should be made eligible for this subsidy for setting up hotels in the backward areas which are important places of tourist interest.

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The Committee note that as far back as 1963, the scientific surveys conducted by the Standford Research Institute (California) and other reputable research institutions in the country, established that poverty and beggar

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nuisance were the most deterrent factors in the promotion of tourism in India. Similarly the PATA Survey Report of 1968 also highlightened the fact that among all the specific area destinations India was one of the few destinations that elicited more unfavourable than favourable associations. The Committee further note that the Indian Institute of Public Opinion also conducted a survey of foreign tourists in India. According to their report 6.7 per cent of the respondents complained about the beggar nuisance, 5.20 per cent about insanitary conditions and 6.7 per cent about dishonesty and unfriendliness. The Committee further note that the nuisance created by professional beggars, touts etc., was also brought to the notice of Prime Minister by a party of American tourists who in turn addressed a circular letter to the Chief Ministers of UP, Bihar, Madhya Pradesh, Rajasthan, Tamil Nadu. Kerala, Andhra Pradesh, Goa, Daman & Diu, Maharashtra and Orissa and also to Governors of Mysore, Gujarat and Lt. Governor of Delhi. The Committee are, however, perturbed to note that in spite of the fact that the problems of beggar and touts nuisance has been so often highlighted in the various surveys etc., and in the circular letter of the Prime Minister to the State Chief Ministers of various States, nothing concrete appears to have been done so far to put an end to the vicinity of places of tourists interest and harassing the foreign tourists. The Committee, therefore, feel that if tourism is to flourish in India, it is high time that immediate action should be taken to ensure that places frequented by tourists are kept clean and free of beggars, touts and peddlars. Similar action need also be taken to keep clear the tourist offices of the Central and State Governments, museums, important shopping centres, the vicinities of hotels, restaurants, railways, and airlines terminals, of beggar and touts. The Committee would like to

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be informed of the concrete measures taken to bring about the necessary improvement.

The Committee note that there are at present. 175 hotels in the country which are on the approved list of the Department of Tourism and their total capacity is 107,15 rooms. According to the assessment made by the Hotel Review and Survey Committee, the shortages of good Hotel accommodation at 35 important tourists centres. in the country, worked out to about 30.005 rooms by 1979. Survey of tourist traffic undertaken of each of the 35 important tourist centres. reveals that at Bombay, Delhi, Srinagar, Calcutta, Madras, Ahmedabad, Cochin, Agra and Goa etc. the accommodation shortage is most acute. The Committee note that 83 new hotel projects at the various centres approved in the private sectors would add about 2400 rooms. The hotels being built by the Indian Tourism Development Corporation and Air-India at Kovalam, Dum Dum, Gulmarg, Aurangabad, Bangalore, Santacruz Airport and Juhu Beach would add another 890 rooms to the existing hotel room capacity in the country. It would thus be seen that even after creating an additional bed capacity of 3290 rooms by 1973 1974 the country would still be very far from realising its target of 30000 rooms to meet the requirements of one million tourists by 1980. The Committee, therefore, feel that in order to achieve targets of one million tourists by 1980, it would be necessary to build a large number of hotels to make up the shortage of accommodation as speedily as possi-The Committee feel that as soon as the ble. targets of one million tourists by 1980 had been worked out, a perspective plan for the provision of hotel accommodation should have been simultaneously prepared. Now since the requirement of hotel rooms are known, the Committee would

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recommend that no time should be lost in formulating a massive programme of hotel construction during the Fifth Plan period, so that sufficient room capacity is created in the country to meet the tourist needs. The Committee would also commend the construction of sufficient number of hotels in the 3 star category and youth hostels, hotels, tourist lodges at a much speedier pace, to meet the requirement of middle and low income group tourists.

5.17In this connection the Committee note that UNDP Team, in its report had made a number of valuable suggestions for the augmentation and improvement of hotel accommodation in the country. The Committee would urge Government to lay greater emphasis to the implementation of some of the important recommendations suggestions of the UNDP Team, listed below viz. substantial increase of accommodation (ii) Bulk of tourists being from the p-called affluent countries, requirements and expectations of this category must be set as standards for the future development of hotel and restaurant industry in India without neglecting to cultivate a special Indian style (iii) lack of professionally trained management; (iv) procedural delays; (v) equipment import licence restrictions; (vi) lack of incentives and infrastructure in areas deserving development; (vii) absence of regional or local building development plans; (viii) extension of Government support for getting sites, financial aid, import licences, specific tariffs for water and electricity; (ix) classification machinery should encourage improvements in hotels and supplementary accommodation; (x) diversion of funds from new construction in areas of relative low significance to improvement of existing accommodation.

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The Committee feel that apart from making available necessary finance, what is even more important is grant of essential facilities such as land, making available in time essential construction materials like cement. steel, provision of power, water, telephone connection. etc. It is only if all these essential services and materials are available in time and without difficulty, that it would be possible to complete in time the hotels and press them into service without delay. The Committee would recommend to Government the constitution of a high powered working group or body consisting of representatives of who Ministries and other interests concerned should review at least once in three months the physical progress made in the implementation of the schemes, and solve the problems faced by the hoteliers in completion of their scheme and spell out other measures or assistance which should be given by Government to accelerate the growth of hotel industry. As most of the money would be coming from the public sources it is imperative to ensure that the money is put to effective use in providing the desired facilities and that it generates further resources for development. The Committee would suggest that Government who have now adequate experience in the running of hotel industry through ITDC, Air India, etc.. should in consultation with the hotel industry lay down broad guide lines about the essential facilities which are to be provided in hotels of Three Star category and above so that they do not fall short of the desired standard. In particular, the Committee would like to stress that utmost care should be given to the provision of hygienic cooking conditions and service facilities so as to win and sustain the confidence of foreign The Committee have elsewhere dealt tourists. with the other pre-requisites for development of hotel industry on sound lines, but would like to here two basic prerequisites namely recall

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availability of adequately trained management. personnel to run the industry as well as well trained professional cooks and other ancillary services for providing hygienic and clean food.

18 5.20-21. The Committee note that a number of expert bodies as well as tourist specialists whohave visited this country have pointed out thedifficulties which are being experienced at present by foreign tourists in the matter of availability of alcoholic drinks. The Committee feel that the matter should be investigated in depth by Government and they should take suitablemeasures to see that the foreign visitors who are used to have a drink are not denied these facilities in the place where they stay and that there should be no scope for any impression that the availability and service of alcohol drink to these foreign tourists in any way is vexatious or source of harassment.

> 5.30-31. It has been represented to the Committee by a number of representative associations of hoteliers both in memoranda and in evidence that the recent growth in hotel industry has been greatly helped by the development rebate and other concessions which Government had made available to them in recent years. They have voiced the apprehension that at a timewhen there is need for a greater effort to put up thirty thousand additional rooms to meet the projected requirement of one million tourists expected to visit this country by 1980, a number of these concessions, particularly the development rebate, is being withdrawn. The Committee are aware that Government are greatly concerned with the provision of adequate financial facilities and other assistance to the hotel industry so that it is able to develop and expanded to meet the projected requirements. The Committee would, therefore, recommend that Government should constitute a represen-

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tative high-powered working group body to examine in depth the existing concessions and facilities which are available to the hotel industry and the need of their being continued and extended, in the light of experience gathered in this country and the practice obtaining in other countries particularly those which have made marked progress in attracting tourists.

The Committee note that the Hotel Development Loan Fund was instituted in April. 1968, with the object of assisting the Hotel industry with adequate financial assistance in the shape of loans for the construction of hotels of requisite standards and for the renovation. expansion and improvement of existing hotels : on the approved list of Department of Tourism. The Committee note that ever since the inception of the scheme 68 hotel projects at various tourist centres for construction of 6102 number of rooms involving a total investment of Rs. 56.31 crores were examined, while processing the applications of loan amounting to Rs. 31.42 crores. Out of these 68 projects, 36 projects had been approved at 14 centres for financial assistance in the form of loan to the tune of The Committee further note Rs. 15.03 crores. that out of these 36 projets since 4 projects were not being executed with due diligence and speed, loans to the tune of Rs. 2.04 crores relating to these projects had been revoked. Thus the net approvals will be for 32 projects for loans to the tune of Rs. 12.99 crores to provide 2875 rooms. So far a sum of Rs. 4.92 cores had been disbursed to 13 hotel projects.

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While the Committee appreciate that the special loan fund scheme for development of hotel industry has made some progress, they consider that it would have to greatly expand its scope if the target of development of 30,000 w

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additional rooms by 1980 is to be achieved. The Committee would suggest that the facilities available under the hotel loan scheme should be widely publicised so as to generate larger interest amongst the public and prospective hoteliers. The Committee would like the fund to be managed on sound business and economic lines from the beginning so as to build up a healthy relationship with the loanee as also take adequate measures to see that public money was safeguarded and the instalments were recovered in time. Apart from the hotel development fund, the Committee would like Government to see that the Industrial Finance Corporation as well as nationalised banks continue to extend loan facilities both long term and short term to genuine hotel entrepreneur so as to encourage their development.

5.49. The Committee welcomes the proposed setting up the Tourist Finance Corporation to render financial assistance to the various segments of the tourist industry such as hotels, motels, tourist car operators, shikar outfitters, travel agencies etc. The Committee hope that the setting up of the Corporation would considerably facilitate the building up of requisite tourism infrastructure in the country.

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5.53. The Committee welcome the initiative taken by Government to set up a chain of youth hostels at selected centres in the country. While the Committee appreciate that there are bound to be difficulties in the initial stage in the acquisition of land, completion of construction through State agencies and commissioning the youth hostels, they feel that this matter should be proceeded with greater sense of urgency and dedication for the youth hostels would serve a greater national purpose of encouraging our younger generation to travel

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and see their country for themselves and this more than anything else would promote understanding and strengthen the force of integration. The Committee need hardly point out that youth hostels should be located with great imagination so as to be convenient in every respect. The charges to be levied at the hostel should be such that young men and women coming from the common people are able to enjoy their stay without feeling undue burden.

The Committee would like Government to make greater provision for Youth Hostels in the Fifth Plan in the light of the experience gathered in providing these facilities during the current Plan period. The Committee would stress that they attach the greatest importance to the use to which these youth hostels are put in the interest of integration of the country and this objective should be promently kept in view while running these institutions.

The Committee consider the proposals for the construction of Tourist Reception Centres at selected places in India viz., Jaipur, Varanasi, Agra, Simla and Patna as a welcome step. The Committee hope that the Tourist Reception Centres, will form the nucleus of all tourist activities in the region and would provide under one roof, all the usual facilities expected by the tourists viz. (i) counters for air, rail and road bookings, (ii) souvenir/curio shops, (iii) handicrafts show rooms and shops. (iv) facilities for left luggage and money changing facilities, a post office, a restaurant/cafeteria, besides toilets and telephone facilities. The Committee would urge expeditious completion of the various Tourist Reception Centres under construction at present.

While the Committee appreciate the idea of the Reception Centres, they would like to stress that the quality of service to be rendered is of

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utmost importance. The tourist should be given a feeling that all these facilities exist in their interest and that all genuine difficulties would be redressed without delay. The Committee would, therefore, suggest that Government should review the working of these centres in consultation with State Governments and other interests concerned so as to effect necessary improvements. The Committee would also suggest that these Reception Centres should be provided at other important places of tourist interest in a phased manner.

The Committee note that with the reduction of travel costs and promotion of group travel, a new class of foreign as well as home tourist have emerged. This class of tourists prefer tospend less and stay longer and even though they might have come by air, they prefer to travel by road within the country, because this mode of travel was cheaper and enabled them to see the country better. The Committee consider the plans for the setting up of the 14 camping sites in the country to be followed by a similar number of camping sites in the second phase of the scheme as a step in the right direction. The Committee hope the provision of these facilities in the country would give a big encouragement to the flow of tourists traffic to the India, especially tourists belonging to the low and middle income brackets. The Committee would recommend that Government should critically review the facilities at camping sites in the light of experience gathered and the reaction of tourists and effect improvements.



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The Committee need hardly point out that there has been a phenomenal growth of road transportation facilities in the country and that larger number of persons are taking a holiday in their own vehicles or by availing of State road transport facilities. The Committee would

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therefore, like Government to take note of these trends and from now onwards set out suitable camp sites to encourage tourism. The Committee note that Government through ITDC have taken the initiative to set up motels on important national highways. They would like this matter to be gone into in depth in consultation with ITDC and IOC so as to encourage the setting up of motels along important routes which are used by the tourists.

The Committee note that the United Nations Development Programme in its Report had made a number of valuable suggestions for the improvement and development of restaurants, food and beverages. The Committee are, however, perturbed to note that nothing concrete and positive has been done so far to implement the various suggestions/recommendations contained in the report. The Committee would, therefore, stress that urgent follow-up action be taken by Government to implement the various recommendations of the UNDP Team in letter and spirit and the Committee informed of the action taken in due course. In this connection the Committee would like to recapitulate some of the important recommendations of UNDP Team, for immediate implementation viz., (i) paying of special attention to standard, quality of service and Kitchen equipment in restaurants (ii) Experienced hoteliers to open or manage higher class city restaurants with appropriate incentives (iii) opening of open air restaurants (iv) opening of restaurants or at least well-run cafetaria near important monuments and on sight seeing routes (v) Bestowing special attention to the International Airport restaurants (vi) giving information of India dishes on Menu Cards and in particular high-lighting local specialities (vii) paying special attention to Airplane and Railway Catering service (viii) paying special

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attention to find proper solution of the problem of drinking water. Bottled drinking water, provided with hygienic certificate be made available for tourists and domestic production of high quality table water to be organised, (ix) Feasibility of providing bottled mineral water to be explored.

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The Committee note that according to the published statistics for 1971, 81.8 per cent of the foreign tourists came to India by air in 1971, 10.8 per cent by sea and 7.4 per cent by land. Of those arriving by air 38.6 per cent disembarked at Delhi, 35.5 per cent at Bombay, 9.2 per cent at Calcutta and 6.4 per cent at Madras. The Committee further note that about 92 per cent of tourists from U.S.A.. 84 per cent of tourists from Western Europe, 94 per cent from Japan and 87 per cent from Australia which represent India's affluent markets, preferred air travel for their international transportation to India. In the Committee's view, it will have, therefore, to be admitted that international air transportation was a vital factor in tourism promotion.

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The Committee further note that India was situated at a considerable distance from the major tourist generating areas of the world, and that the initial cost of travelling to India represented a disproportionately high element in the overall cost of the tour. The fare structure was thus an important factor in determining the share which India could secure of future world tourist trade. The non-availability of reduced/ concessional fares from many points to India was a disincentive for the promotion of larger volume of tourist traffic to India. The Committee further note that though fare structure on scheduled airlines were regulated by IATA in respect of member Airlines, efforts should be made to obtain reduced fares for travel to India

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from the major tourists markets in addition to those already in existence. Facilities as obtainable in countries like Thailand, Japan, Hawaai, Fiji, etc. could be taken as parallel examples. The Committee would also recommend that an independent assessment of the fare structure applicable to India to provide a rational basis for recommending reasonable fare revisions which could result in optimising tourist growth without reducing the percentage of returns by our national carrier Air-India may also be attempted.

As regards the domestic air transportation the Committee note that there was an acute shortage of capacity until about a year ago, but with the acquisition of Boeing 737, the situation had improved as was evident from the reactions of the overseas tour operators. The Committee note that confirmations from Indian Airlines were being obtained more speedily than before. The Committee would, however, stress the need for more conscious and planned efforts on the of Indian Airlines to market tourism by part offering concessional round trip fares and providing additional services for large group movement.

The Committee note that at present the density of on-line stations in India was very low. In U.K. there was one airport for scheduled operations for every 5,000 Sq. Kms. and in Japan there was one for every 8,000 sq. kms. In India, however, Indian Airlines had only one station for every 50,000 sq. kms. This, in the Committee's view presented an unsatisfactory position, keeping in view the relative inadequacy of road and rail transport facilities in India, as compared with more affluent centres. The Comhope that during the Fifth Five Year mittee Plan period more new stations would be opened

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linking the places of tourists interest in the country.

The Committee note that international airports are the first point of contact with India for many tourists. It is, therefore of utmost importance that every endeavour should be made to provide first class and modern facilities by drawing on the experience elsewhere and on the specialised consultant services available in airport and services planning. In this connection the Committee would commend the implementation of the various recommendations made by the UNDP Team viz., (i) airports of tourists destinations be equipped with the necessary technical facilities to allow landing and departure in the dark, e.g. Khajuraho, Bhubaneshwar. Madurai, Bagdogra etc.; (ii) itineraries of air connections for the most frequented tourists centres should be set up in cooperation between Indian Airlines and the Department of Tourism; (iii) priority in planning and execution should be given to those areas which are and will be the main tourist destinations in India

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The Committee would like to point out that the Department of Tourism, as well as of Civil Aviation and the International Airport Authority are under the same Ministry. The Committee, therefore, expect that all matters concerning tourist facilities at airports would be attended to without delay and the requisite facilities provided. In fact, there should be integrated planning in this behalf, so that the facilities developed at a tourist centre at considerable expense, do not come to suffer for want of matching airport facilities, as has happened in the case of Kovalam beach and Trivandrum airport.

The Committee note there are at present 119 approved private cars operators in the country. Besides this India Tourism Development Cor-

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poration fleet of 152 cars also operates tourist vehicles at Delhi, Bombay, Madras, Agra, Srinagar, Patna, Bodhgaya, Jaipur, Khajuraho, Aurangabad, Hyderabad, Bangalore, Udaipur and Hassan. The Committee further note that the total number of vehicles suitable for tourists available in the country are 4801 in numbers out of which 3446 are indigenous cars, 615 imported coaches and 58 Miscellaneous cars. 682 cars. According to the estimates worked out by the Department of Tourism a total number of 10500 additional vehicles, (1800 imported cars, 6000 indigenous cars, coaches etc. 2700) would be required for tourist traffic during the Fifth Five Year Plan period to meet the needs of tourist traffic.

The Committee note that according to the projections of tourist arrivals in India tourists traffic will increase from about 4 lakhs in 1973 to 8 lakhs in 1978 and 10 lakhs by 1980. The Committee are not clear as to how far the existing fleet of large size cars would be replaced and augmented to cater to the target figures of tourist arrivals. In this connection the Committee note that in pursuance of the directive issued by the Prime Minister in 1964 followed by a Government order in 1968, the tourist trade has been accorded top-most-priority in the matter of allotment of ex-STC vehicles at reserve prices. In actual practice, however, it has been stated that the number of vehicles made available was inadequate to meet even the needs for replacing existing vehicles, let alone augmenting the fleet. The Committee note that during the last 17 years, tourist traffic had increased by fifteen times, but the number of tourist vehicles in the country had hardly increased by seven or eight times.

The Committee further note that at present Tourist Transport Operators and the I.T.D.C.

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hold a total of 427 second hand imported cars ex-STC allotted by the Department of Tourism. The number of vehicles made available by the STC during the year 1971-72 were about 6 cars per month on an average as compared to 9 cars per month last year. At this rate of the Committee feel that the tourist taxi fleet might show a net reduction by the end of the Fifth Five Year Plan period because the number of vehicles added to the fleet would fall short of the number of old vehicles being condemned and put out of commission. Further to quote the U.N.D.P. Report "although through STC, second hand imported cars are made available to the tourist operators, these cars are roughly used, badly maintained and very costly in maintenance. spare parts are also not normally available."

According to the rough estimates worked out by the Department of Tourism the needs for Fifth Five Year Plan could be met in full only if a minimum number of 25 cars of suitable makes and models were made available by the S.T.C. per month. This would mean 300 cars per annum or 1500 cars being made available by the STC in the Fifth Plan period.

According to the present indications the gap in availability of cars would be of the order of about 800 cars by the end of Fifth Five Year Plan period. The Committee feel that if tourism is to develop in India, it was of vital importance that air-conditioned coaches and airconditioned cars are made available to the tourist industry at reasonable prices. The Committee hope that the charges levied from the tourists are effectively regulated so that the objective underlying in the sale of imported vehicles at fixed prices, are served.

The Committee note that tourist vehicles can move freely through different countries in

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Europe on a single permit. In the case of India. however, at present individual permits are required to be obtained from different State Governments for a tourist vehicles to move from one to another State The Committee note that although the Government have made consistent endeavours to solicit the cooperation of the different States for the introduction of single permit system for inter-State movement of tourist vehicles across State boundaries, it has defied solution so far. The Committee would, therefore, recommend that in order to overcome these difficulties, the Government might examine the question at the highest level with a view to solve the problem.

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The Committee note that India is a vast country stretching 3220 kms. from North to South and almost the same distance from West to East. Rail travel will have to be in the main depended upon for reaching various parts of the country for a considerable time to come. It is essential that the Railways adopt a more tourist oriented approach. The Committee note that tourists in the younger age groups are at present visiting India in large numbers. Since the young tourists generally travel on a limited budget, the Committee consider that the current youth influx does justify greater attention being paid to rail facilities.

The Committee note that at present the foreign tourists have the facility to make reservations 180 days in advance in Air conditioned coaches and 1st class only. The Committee feel that these facilities should be extended to the remaining classes of rail travel by tourists for example in airconditioned chair car, second class and third class which were greatly in demand with the tourists in the younger age group.

The Committee would also suggest that provision of bed rolls to foreign tourists travelling not only in upper classes, but also in the second and third classes. The Committee further feel that there is considerable scope for improvement of short notice reservations facilities for the foreign tourists. The tourists are generally not aware of the facility of assistance for reservations from special quotas available to them

The Committee would, therefore, suggest that the special quota of reservations available to foreign tourists should be publicized and made known to all those organisations handling tours of foreign tourists. It has been brought to the notice of the Committee that foreign tourists experience considerable difficulty in making forward reservations from one destination point to another. The Committee would like the Railways to examine the difficulties of the foreign tourists in depth, in consultation with all concerned and evolve a satisfactory and efficient procedure, for making reservation facilities available to the tourists on an assured basis.

through the Chief Reservations Supervisors.

The Committee note that there is a proposal for setting up a Railway Cell in the Department of Tourism which would have powers to deal with all the Zones of the Railways and ensure that rail facilities for tourists are provided in a satisfactory manner. The Committee also welcome the proposal to operate special trains over a fixed route to connect important places of tourist interest. The Committee stress the need for early implementation of the above and other related suggestions in the interest of providing better facilities to foreign tourists.

The Committee agree with the view that with the introduction of cheap fares in airlines and a variety of concessional fares available for

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group travel, excursions, exclusive tours etc., sea travel had lost must of its importance so far as India was concerned. There was of course scope for development of inland water cruises and coastal cruises to attract tourists. In this connection the Committee would commend the urgent implementation of schemes for transport cruises recommended bv the Inland Water Transport Committee viz., (i) Deepening and widening of the canal from Adyar lake near Kovalam to the Boat club in Trivandrum; (ii) widening and deepening of back waters between the boat club at Trivandrum to Quilon and Alleppey, wherever necessary; (iii) Resumption of Ferry Services from Calcutta to Gauhati and other areas in Assam so that attractive pleasure cruises could be offered to interested tourists; (iv) Development of water ways from Srinagar to Wular Lake and Baramulah, so that launches could be offered to the tourists visiting Srinagar. The Committee also commend the efforts of Department of Tourism to provide motor launches at Nagarjuna Sagar and Govind Sagar lake and at Bombay for transporting tourists from Bombay to Elephanta Caves.

8.13 There is no denying the fact that Travel Agents play a vital role in the growth and development of tourism in a country. The Travel Agent is an organiser of travel and a key link in the promotion of tourism as a means of genegoodwill, friendship and rating international understanding. By providing package of services to the tourists viz., transportation, according modation, air rail sea reservations, hotel accommodation reservation, making sight seeing arrangement etc., a Travel Agent has come to be recognised as an important arm for the promotion and development of tourism. Keeping in view the role expected of the Travel Agents

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as the creator and developer of new tours and new ideas coinciding with personal service, it is important that Travel Agents are afforded the necessary facilities and incentives more liberally *viz.*, adequate release of foreign exchange for opening offices abroad to supplement the efforts of Department of Tourism; encouraging them to organise package tours for various interests *i.e.*, wild life tours etc. so that the foreign tourists receive the much needed personalised service.

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The Committee feel concerned about the mushroom growth of travel agents, and consider it necessary to control and regulate the activities of non-recognised travel agents in the country. The Committee consider the constitution of Central Coordinating Committee to grant recognition to Indian Travel Agents, as a welcome step. The Committee hope that with the constitution of the Central Coordinating Committee, multiplicity of procedures which were hitherto being adopted by various Government Departments viz., Airlines, Railways, Passport Authority, Reserve Bank, Department of Tourism etc., would be eliminated and the entire power of recognition would now vest with the Central Coordinating Committee They hope that this body would consider all applications for recognition and once recognition has been granted by such a body, the travel Agents concerned would be authorised to carry on business with all Departments Organisations Undertakings of the Government of India. They also hope that the new system will safeguard the travelling public which utilises the services of travelling agents, from the undesirable activities of non-recognised Travel Agents. The Committee would also suggest that in order to make Central Coordinating Committee more representative and broad-based the nominees of the

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Reserve Bank, Airlines, Railways etc. may also be associated with that Committee.

8.15 The Committee would also commend the Japanese method of recognition where no Travel Agent is allowed to handle travel business in Japan without holding a licence issued by the Tourist Industry Division of the Ministry of Transport in Japan.

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The Committee are perturbed to note that no serious attempt has been made to formulate a comprehensive scheme for the development and promotion of entertainment and recreational programmes to cater particularly to the taste of foreign tourists even after two decades of tourism planning. The Committee are surprised that inspite of the recommendations of the Estimates Committee (1968-69) in their 90th Report on the Ministry of Tourism and Civil Aviation and valuable suggestions made in the Reports—JHA various Committee Report (1963), Report on Cultural Tourism in India (1969).

U.N.D.P. Team Report (1970)-the initiative has been left entirely to the non-official agencies, with the result that nothing much has been done in this matter since 1963. The U.N.D.P. Team in its Report (1970) had correctly summed up what is required in the field of entertainment needed for the foreign tourists. The Committee, would, therefore, stress that efforts should be made to implement the recommendations on "Entertainment" contained the in various Reports mentioned above in letter and spirit urgently.

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The Committee feel with more ingenuity and intelligent utilisation of the rich heritage of song, music, dance and culture that we have in the country, it should not be difficult to present entertainment facilities in a much more effective manner than has been possible hitherto

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The Committee welcome the initiative taken by the Travel Corporation of India and Hotel Association of India in introducing a programme "Bombay By Night". The Committee would stress that efforts in this direction should be made in all large cities, which attract a large number of foreign tourists. In view of the importance of tourism, the Committee would stress that India Tourism Development Corporation should assume a more active and positive role in the matter of providing entertainment facilities for tourists. In this connection the Committee would like to emphasise that the Department of Tourism ITDC should make an intensive study of the whole aspect of entertainment and its various forms and formulate in consultation and cooperation with Hotel Industry. Travel Agents Association, Federation of Hotel and Restaurant Association, and the publicity media, State Governments etc., a comprehensive and well coordinated 'Entertainment Programmes' for both domestic and foreign tourists, and evolve guidelines to indicate the direction in which the work should be done. The Committee would also suggest that these 'Entertainment should critically reviewed Programmes' be after a stated interval with a view to affecting improvement in these programmes.

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Entertainment is an area calling for special attention, in particular in all tourist centres where there is no entertainment available in the envenings. The Committee would. therefore, emphasise the need for providing entertainment facilities in important tourists and the important beach resorts by identifying and making local talents available at these places in the first instance.

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While the necessity to promote sound and light programmes cannot be denied, the Committee would stress that the venues selected for the mounting of Sound and Light Spectacles should be such where the audience is likely to be sufficient to pay the running cost. In view of the expense and the foreign exchange involved in the installation of the Son-et-Lumie the Committee would like to stress that this facility should be provided with the utmost discrimination and would urge that before any sound and light project is launched, a feasibility study should invariably be undertaken by Government to assess its economic viability.

- 9.26 They would also suggest that periodic evaluation of sound and light programmes should be undertaken to assess their usefulness and economic viability and to find ways and means to make them more popular and remunerative.
 - 9.40-9.41 The Committee note that the tourists generally spends 1|5th of his expenditure while on tour on shopping. It was, therefore, essential that adequate shopping facilities are provided to the tourists. While the Committee consider the establishment of cottage industries, handicrafts, handloom products emporia in different State Capitals and the duty free shops set up by the ITDC as a welcome step, they feel that more involvement of a few standard shops like Government emporia or prestigious ones like that of the Central Cottage Industries Emporium would ease the shopping problems of tourists. In the Committee's view there has to be a deeper involvement of different agencies in the field viz., Indian Handicraft Organisations, Design Centres etc., if tourists shopping needs are to be really met. They would, therefore, recommend that (i) Indian Handicraft Organisations

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should maintain closer contact with the Department of Tourism; (ii) Designs of Handicrafts should be improved in line with the changing fashions; (iii) Attention should be paid to packaging to make the products more saleable as gift material; (iv) facilities for making purchases should be available where tourists are likely to make maximum use of them; (v) opportunities should be provided to enable tourists to observe the skill and workmanship that it takes to create a product at handicrafts emporia etc.: (vi) Attractive picture post cards of Indian arts of the standard available in advanced countries should be on sale at places frequented by tourists; (vii) various handicrafts and export organisations, Reserve Bank of India etc. should consider executive measures to check malpracreported against shops; (viii) tices Money changers' licences should be granted to State controlled handicrafts emporia; (ix) steps should be taken to eliminate the menace of touts hovering near various shops; (x) Arrangements be made for proper packing and shipping of purchases made by turists in the country.

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The Committee further note that India offers an extensive variety of souvenirs and handicrafts both expensive and inexpensive produced throughout the country by skilled and dedicated craftsman and artists. The unending variety of handicrafts and art objects include shawls, brocades, jewellery, ivory carvings, brass and copper articles, stone sculptures etc. The Committee would, therefore, recommend that besides broad basing the shopping list, attempts should be made to popularise Indian handicrafts and souvenirs which could not only be a source of foreign exchange but also a lasting publicity medium for India.

The Committee note that tourism today presents an unparallelled challenge to the eco-

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nomics of the developing world. The rewards to be gained both financial and sociological are immense. The Committee further note that large sums of money are being spent by different countries to attract more and more tourists. A good proportion of this expenditure is on publicity abroad from which there is the maximum possibility of attracting tourists. In the case of India too, realising the importance of tourism, and the benefits which accrue to the country, the Department of Tourism has stepped up its tourism promotion efforts through its offices located in New York, San Francisco. Geneva, Paris. Chicago, London, Frankfurt. Brussels, Stockholm, Milan, Tokyo, Sydney Singapore. These offices Toronto, Mexico and were generally responsible for the dissemination of information of interest to the tourists, answering their queries, and the distribution of literature produced in India.

10.21 The Committee agree with the view that to be really effective and to give full value for money expended, a tourism promotion programme should be balanced between (i) Sales promotion techniques and (ii) publicity and press advertising, while the Committee welcomes the 'Joint Promotion of Tourism' by Air-India and the Department of Tourism (viz., Operation Europe, Operation U. K. and Operation America, they would stress that the results of these jont operation programmes be reviewed at regular intervals with a view to effecting improvements.

10.22 The Committee further note that India's potential for tourism was virtually unlimited and it was in India's interest to convert this potential into actual terms by a two prolonged strategy of strengthening the infrastructure at home and improving India's 'Tourist image abroad'. The Committee would, therefore, suggest that besides

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publicising India's image abroad the infrastructure in the country should be properly geared to meet the growing needs of the increased flow of tourist traffic.

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The Committee note that Jha Committee in its Report on Tourism had observed that'....the publicity material sent out should be of top-quality and the best artists, designers, writers, printers, photographers, and field producers available in the country should be engaged to ensure that India's publicity material does not suffer in comparison with that put out by other countries....' With a view, therefore, to obtain imaginative and informative quality design, photograph, print etc., the Committee would commend that services of best artists, designers, writers, printers available in the country might be utilised. The Committee would also suggest that open competition may be organised and successful entries suitably rewarded.

10.24 Committee The also note that during the Prime Minister's Round Table Conference on Tourism it had been decided that ".....Publicity should be concentrated in areas abroad from where we can hope to draw the largest number towards fulfilling the target of doubling the tourist traffic. Foreign producers should be encouraged to produce films in India, Travelogues. Within the country, restrictions on photography should be relaxed considerably. Post cards and slides of high quality should be produced and made available freely. Tourist maps, guide-books, information about entertainments in a city, and similar material are either not adequate or not available at all. Such deficiencies should be made up."

10.25 Similarly the UNDP Team on Tourism while commenting on tourists literature had inter alia observed that '....Variety might be reduced in favour of quality; distinction needs to be drawn between material to attract tourists and to inform them on arrival; comprehensive manual for travel agents with contents indicated should be prepared; U. S. tour operators desire for lesser quantity of better descriptive literature.....' The Committee would commend implementation of the ideas spelt out by these bodies in formulating future tourist publicity programmes and policies.

10.26 In the end the Committee would recommend that the results of our publicity programmes both internal and external should be evaluated at regular intervals so as to give guidelines for formulation of our future publicity programmes and policies on tourism.

10.31 37 The Committee realise the need of a vigorous promotional approach abroad, if we are not to lag behind others in the race for attracting overseas tourists to India. The Committee, therefore, consider the hospitality programmes drawn out by the Department of Tourism whereby travel agents travel writers, photographers and film producers both general and T.V. are invited to India as departmental guests, as a welcome step and would like this to be extended in a selective manner so as to get most significant writers, protographers etc. to visit India and stimulate interest for visit to this country.

> Review should, however, be made from time to time to see that the expenditure incurred is commensurate with results achieved.

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11.21 The Committee note that in India, training for hotel and catering industry takes place in two types of institutions v.z., (i) Institutes for Catering Technology and Applied Nutrition and (ii) Food Craft Centres. The Committee further note that no institute of standing exists for the training of personnel in the general field of tourism. The Department of Tourism, however, arranges some refresher courses for Guides etc., and language courses in French, German and Japanese for different segment of tourist personnel. Some training opportunities in various fields are also stated to have been secured by the Department of Tourism through the international organisations and under the Indo-German Technical Assistance programme for Central and State Tourism officers, the I.T.D.C. and the Institutes of Hotel Management and Catering at Delhi and Bombay.

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The Committee note that a Germany Company Steigenberger Consulting in its Report on Tourism Training had observed that '..... the achievements of these institutes (Catering Institutes and Food Craft Centres) to meet the requirements of hotels and catering institutions have been recognised but it is pointed out that the standard of training cannot be compared to those of Hotel Schools in the United Kingdom or Europe A great deal of improvement is necessary to raise the standard of the schools with the help and advice from abroad. In general, the institutes and centres are considered to be very hadly equipped both with regard to quantity and quality...." The Committee also note that the Federation of Hotel and Restaurant Associations of India have also made a number of useful suggestions for the improvements in both the quality and quantum of instructions being imparted by these institutes. The Committee would in this connection like to recapitulate some of them for urgent attention and implementation viz., (i) Need for revision of the Syllabus of Catering :

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institutes to provide for the management material for the fast expanding hotel industry; (ii) affiliation of management courses run by the institutes to the University of Delhi and Bombay and raising it to B.A. and B.Sc. level; (iii) need for import of competent teachers from abroad as the majority of the present teachers in the institutes had little knowledge/experience of the industry so essential for effective instructions; (iv) Need for bifurcation of courses into craft and management courses (v) Need for separate establishments for specialised management studies.

In this connection the representative of the Ministry of Tourism had also admitted during evidence that "unless they train up a cadre of faculty in the country, mere setting up of institutions was not going to help much because it would be extremely difficult to obtain so many teachers or faculty members. Then there was the shortage of text books and reference books in the country." The Committee would urge that suitable measures should be taken as expeditiously as possible to overcome these shortcomings.

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The hoteliering industry and the travel trade are also equally worried about the inadequacy of training facilities for training personnel in the field of Hotel and catering industry and in the field of tourism. The Committee, therefore, feel that there is a national need for training of instructors for the Catering Institute and Food Craft centres and a management institutes for the education of top level managers in the hotel industry.

11.24 The Committee note that if the hotel, travel trade and tourism industry is to flourish in India, and we are to keep abreast of tourism development it would not be sufficient to simply provide the physical facilities. The problem of training

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the present personnel as well as the recruitment of future skilled personnel has also to be solved. Further, intended increase in tourist traffic and the planned development of accommodation and restaurant capacities to meet the requirements of projected arrival of one million tourists by 1981, will aggravate the problems considerably. The Committee feel perturbed that not much had been done so far in the matter of training of personnel in the hotel and catering industry and in the field of tourism. The Committee consider the development of training facilities for the successful execution of Master Plan for tourism development as of paramount importance. In the Committee's view there is urgent need for formulating a full scale training programme in consultation with hotel and tourist industry both in public and private sectors, to meet all the trained human resources requirements of tourism industry in India which should include manpower projections and training at all levels.

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The Committee consider the proposed setting up of the National Institute for Tourism as a step in the right direction. They hope that the Institute would cover all aspects and would ensure the availability of trained personnel at all levels and would be able to meet the needs of hotels, travel agencies, airlines transport operators, Government Tourist Organisations etc. Till such time the Institute of Tourism gets going, the Committee would like the Department of Tourism to work out some ad hoc arrangements to draw up some training programmes/refresher courses by providing in-service training in the leading hotels of the country.

11.26 The Committee considers the inclusion of tourism in vocational courses for B.A. in the Delhi University as a welcome step. The Com-

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mittee would also emphasise the need for training of Managers and also for training and improving the skills of cooks, bakers etc. With a view to intensify coordination in the activities of Catering institutes, the Committee consider it desirable t_0 create a controlling office within the Department of Tourism to work closely with the different institutes and make reports and suggestions regarding possible improvements.

12.12 Indian Wild Life is a fascinating assemblage of species and this rich floristic and faunistic group if developed properly could turn out to be an extremely valuable tourist asset, particularly in combination with other places of historical and cultural interest Wild Life Tourism can become a major source of foreign exchange earnings for India besides internal tourism boosting economic activities in the various regions. Presently in India Wild Life Tourism is in its infancy and was basically confined to "Shikar" outfitters and their foreign clients and foreign tourists visiting some of the National Parks and Wild Life Sanctuaries

12.13 The Committee are glad to note that realising the importance of Wild Life Tourism, Government have made a provision of Rs. 60 lakhs for augmentation of transport and accommodation facilities in selected games sanctuaries and efforts made are being to provide these facilities quicker The at а pace. however. Committee. would. stress that in order to achieve maximum results it is necessary to clearly define the position of Department of Tourism vis-a-vis wild life conservation in general and wild life tourism in particular and there should be complete understanding between the Department of Tourism, Inspector-General of

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Forests at the Centre, State Governments and the State Forest Department.

12.14 The Committee further note that although many of the National Parks and Sanctuaries in India have a variety of Wild Life it is not always accessible to visitors. The Committee would. therefore, stress that the Department of Tourism should actively associate itself with measures to make wild life more accessible by providing good approach roads, lodges to accommodate group tourists and other visitors and facilities like camping, rapid communications system and local transport inside the park, for those who go by public transport. The Department of Tourism can also look after organised interpretation programmes at site supported by well-produced literature to attract tourists to the National Parks/ Games Sanctuaries

12.15 In this connection, the Committee would also take this opportunity of reiterating its earlier recommendation made in para 10.33 of the 90th Report (Fourth Lok Sabha) regarding provision of proper facilities for "photo safari" traffic. The Committee would urge an early implementation of this recommendation both in letter and spirit.

12.16 The Committee further note that Manas Wild Life Sanctuary in Assam, was equally famous for a wide spectrum of Wild Life viz., Buffalo, Bison, Rhino, Swamp Deer, Sambar, Golden Langur and varieties of birds. They would, therefore, urge Government to examine easily the question of development of Manas as a fullfledged National Park with the requisite facilities.

40. 13.8 The Committee note that tourism today is the world's largest industry. It involves movement of millions of people from one end of the world to another. It has a business worth U.S.

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\$2200 millions. Considering the vastness of this business and its potential it is necessary that India should endeavour to have a respectable place on the tourism man of the world The Committee, therefore, consider the establishment of 15 overseas tourist offices located in New York, San Fransisco, Chicago, London, Geneva. Paris, Frankfurt, Brussels, Stockholm, Milan. Tokyo, Sydney, Toronto, Mexico city and Singapore as a step in the right direction. The Committee note that the functions of the overseas tourist offices include handling of enquiries, dissemination of accurate information, advertising, publicity, public relations with the press and the travel trade and supply of information to the Department of Tourism at the Headquarters, about current trends in tourism in the areas of The Committee further note their jurisdiction. that overseas Tourist Offices also publicise India by advertising in the Press, through T.V. programmes, screening of films on India. These Offices also sponsor familiarisation tours of group writers/journalists, Photographers/Film Producers and Travel Agents who on return to their countries publicise India through their media, ultimately resulting in increase in the tourist arrivals and foreign exchange earnings. The Committee would stress that the performance of each of the offices should be reviewed and assessed at stated intervals to make sure that these are sub-serving effectively the objective with which they have been set up and in the light of experience evolved criteria and guideline for setting up new offices as per a perspective plan to be drawn up in that behalf.

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The Committee note that the Department of Tourism have set up 11 full-fledged Tourist Offices at Delhi, Bombay, Calcutta, Madras, Agra,

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Aurangabad, Varanasi, Cochin, Khajuraho, Jaipur and Jammu. A Central Tourist Office was also proposed to be set up shortly at Srinagar. Some of the Central Tourist Offices at places like Darieeling, Ootacummand, Bhopal, Bangalore, Bhubaneshwar, Simla had been closed down. The Committee also note that 17 State Governments had also set up Tourists Departments in their States besides setting up Tourist Bureaus, Information Offices at important places of tourist interests in their States. The Committee note that while the Central Tourist Offices cater mainly to the needs of foreign tourists, the State Government Tourist Offices cater to the needs of home tourists and function under the control of the respective State Governments. Since the promotion of tourism was a joint venture in which a number of agencies were involved, the Committee would stress that offices of the State and Central Governments wherever they exist in the same cities should function as complementary to each other. The Committee feel that much more coordination and cohesion was needed in the functioning of these two sets of offices.

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The Committee note that tourism as a factor of international trade has reached such dimensions that in 1968 it earned \$ 14 billion, roughly twice that of the world's oil industry. A country like Italy with a long tourist tradition now earns roughly \$1.6 billion annually. In recent years, dramatic increases in tourist traffic have taken place in Spain, which now annually earns about \$1.3 billion. U.S.A. receives the largest earning from tourists, \$1.82 billion in 1967, with tourism as the second largest foreign exchange earner coming only after the export of cars at \$ 2.2 billion. Eire (population about 3 million) earned roughly £ 100 million sterling in 1969. In India, as has been demonstrated in other countries,

tourism can also become a major source of foreign exchange. In 1969, arrival of 245,000 tourists, representing a 30 per cent increase over 1968, earned Rs. 33.11 crores. Based on the estimates calculated by the Indian Institute of Public Opinion with an average tourist now spending about Rs. 1360 here, India would earn Rs. 55 crores in foreign currency in 1973. The Committee however, feel that India has not done as well as some other countries, to attract foreign visitors. While World tourist expenditure increased 24 per cent from 1958 to 1967. India's share in this fell from 0.67 per cent in 1958 to 0.24 per cent in 1967. On the other hand, countries like Yugoslavia and Greece between 1952-62 increased their share by about 900 per cent. The Committee feel that a more pragmatic approach and a dynamic programme can win India its rightful place in the highly competitive World tourist market, a programme based on tourist satisfaction identified through market research, development of services and facilities to meet tourist wants, and sound marketing procedures. In this connection, the Committee note that in countries like Mexico and Spain tourism represents between 45 and 50 per cent of the total export earnings and even in the U.S.A. and U.K. earnings from tourism stand second and fourth respectively in order of export earnings. The Committee, therefore, feel that in order that India occupies its rightful place in the world of tourism, the first premise for increased tourist traffic must necessarily be the creation of adequate tourist infra-structure in the country. In addition, the required targets can only be reached if the National Tourist Organisation has all the necessary resources, competent staff, adequate funds and the necessary freedom in operation.

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In this connection the Committee note that the estimates of the increase in tourism over the

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next decade are staggering. Air travel the world over has been growing on an average 13.5 per cent a year since 1961, according to IATA and the volume is expected to double by 1970, triple by 1975. In the coming decade with the introduction of Jumbo Jets traffic to India would also increase. Given the proper proportional selling efforts and matching action to provide what is called the tourist infra-structure, it should be possible to reach a target of one million tourists by 1980. In view of the potential growth of tourism in coming years, the national tourist organisation should be one which is capable of tackling and coping with a multitude of problems, keeping in view the broad objectives and the goals of tourism development of this country.

13.32 The Committee gathered the impression during their tours and discussion with non-official organisations that for a field organisation, it is absolutely essential that decisions should be taken in time and should reach all formations in clear and unambiguous terms. It is, therefore, essential that the set-up for tourism, both for policy-making and implementation, should be fully responsive to the challenges of the task and be willing to have an open mind to assimilate the best ideas. anticipation and analyze the trends in tourism and take quick executive action to prepare the ground for provision of the requisite facilities. In this connection, the Committee would like to draw attention to the following recommendations made by the IIPA on the set-up for tourist organisation:---

> (i) "....India should give top priority to the development of tourist facilities in the country and the promotion of foreign tourism. Only a forward looking, research based and result oriented modern organisation with best available professional staff can do the job. To attract the

best personnel in the field, pay and facilities at commercial rates have to be offered."

- (ii) "That the major problem is whether the Department of Tourism's present organisational structure is suited to operate programme for attracting quality tourist in the world's not competitive market. The emergence in 1967 of the new Ministry of Tourism and Civil Aviation brought about greater understanding and cooperation between almost all the organisations involved in dealing with the tourists: the two national airline corporations and the Tourist and Civil Aviation Departments. But the governmental framework in which the Tourist Department operated has not shown the necessary flexibility to meet the kaleidoscopically changing tourism market. What was imaginative organisational setup in the initial stages before the tourism became a major world industry, have become a virtual stagnation for Indian turism. There are too many bottlenecksorganisational and procedural and the position of the tourism department as an attached office has hampered its capacity to handle the desired accelerated growth of tourism and to fulfil plan targets. The shortfalls in expenditure during the 2nd, 3rd and 4th Plans are an indication that the present structure and procedures were not adequate to cope with the increasing number of foreign visitors, and to provide them with necessary facilities."
- (iii) "In some instances the Director-General of the Department has been handicapped because of Associate Finance. This leads

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to curtailment of his freedom of action, and prevents him from being an effective Head of the organisation in pushing through his plans and proposals. Important policy matters of the Department have to be processed in the Ministry. A very vital question is whether on such matters the Director General as the Head of the Organisation has direct access to the Minister to advise him. It seems that the Secretary of the Ministry at present acts as an intermediary. This poses the problem of authority and responsibility. The Director General is responsible for the activities of the Department, but it is doubtful whether he possesses all or even adequate final authority."

(iv) Summing up the Indian Institute of Public Administration Report stated that "in view of the magnitude and dimensions of the global tourists explosion now and anticipated in the coming decades, we feel that the problem of evolving an organisational structure suited to modern promotion and marketing methods requires a fundamentally different approach. India needs a tourist organisation which will take vigorous and effective measures to sell a competitive 'product' throughout the markets of the world."

It is also pertinent to recall that for a number of years, by key post of Director-General of Tourism was not filled up and the work was carried on by an officer of the rank of Additional Director-General of Tourism. It is only recently

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that an officer has been appointed as Director-General of Tourism with an ex-officio status of an Additional Secretary. The Committee need hardly emphasize that the key executive portfolio in tourism should be manned for a length of time, so as to ensure stability and continuity in the implementation of tourist development programme. The Committee would also like Government to examine in depth the recommendations made by IIPA and take suitable action to see that the set-up for tourism has the requisite flexibility of approach and power for action.

13.42 Tourism requires a considerable degree of coordination between Central and State Governments. The Committee, however, note that no formal demarcation has been made between the functions and responsibilities of the State and the Central Tourist Departments. By and large State Governments were responsible for home tourism and Centre for international tourism. The Committee further note that the degree of interest shown by the various States in tourism varies a great deal. The Committee consider that for achieving effective communication and liaison at the various levels an important step was the definition by agreement of functions of Central and State Government Tourist Departments so that there is no duplication or wastage of effort and money and all fields of tourism are covered. In this connection the Committee note that some of the functions that might be the responsibility of each State Government Tourist Department are (i) "compilation and publication of tourist information on tourist centres important to home tourism on the lines of the proformae of the Central Tourist Department. At present enquiries on such centres do not elicit much information. Places covered by the Central Tourist Depart-

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ment publications should not be covered in such publications which is often the case at present resulting in duplication"; (ii) "The State Tourist Bureaux should deal with subjects such as Holiday Camps, sight-seeing tours by State Transport buses, improvement of local transportation, implementation of plan projects, health and sanitary improvements, beggar problem, publicity and arranegements for local festivals, special counters at pilgrim resorts during festivals etc. The lastmentioned is most important, as at present tourists are greatly handicapped by lack of adequate information on local festivals"; (iii) "In addition iust as the Central Tourist Department has counters at international airports, the State Governments should set up counters at Railway Stations at important tourist centres where at present the home tourist and the middle-income foreign tourist go unattended with nowhere to get information or guidance from. State Tourist Offices sometimes duplicate the Central Tourist Department functions at major centres. This could be avoided and State Government staff diverted for other functions which are important for the development of home tourism. The objective to which all will undoubtedly subscribe is progress in tourism which will benefit the individual States and the nation simultaneously and substantially."

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The Committee note that the Tourist Development Council was constituted in February, 1958 and comprises 64 members representing various interests viz., 24 Ministries/Departments of Tourism from different States, 9 M. Ps., 8 Distinguished Members of Public, 13 representatives of Central Ministries/Undertakings, 5 representatives of trade and industry etc. The Minister of Tourism and Civil Aviation is the Chairman and Minister of State for Tourism and Civil Aviation is the Vice-

Tourist Development Council at its meeting held at Madurai in October, 1970 passed a number of Chairman. The Committee further note that the resolutions covering a wide range of subjects. The Committee also note that at 15th Tourist Development Council meeting held at Goa in October, 1972, the Council passed an impressive list of 32 resolutions at the meeting. From the progress report furnished to the Committee on the action taken by the Department of Tourism to implement the various resolutions passed by the Tourist Development Council at its session held at Madurai in October, 1970, the Committee note that not much headway has been made to implement the various resolutions passed by the T.D.C. even after a lapse of period of about 3 years. The Committee would, therefore, stress that after a two decade of tourism planning a point has been reached when there should be concentration of attention on the expeditious implementation of the well-founded policies and programmes for the promotion of tourism in the country.

13.58 The Committee note that primary function of 45 the Regional Committees was to achieve coordination between Central and State Governments as well as the essential segments of the tourist industry. Another object for setting up these Committees was to achieve implementation of Tourist Development Council's recommendations by regular regional consultation and better coordination between the Centre and States. In order to assess the utility and enhance its usefulness, the Committee would urge a periodical review of the working of the Regional Tourist Committees.

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The Committee note that there already exists, the Tourist Development Council entrusted with the function of recommending measures necessary for the promotion of tourist traffic to India

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from other countries and from one part of the country to the other country. Added to this, are the four Regional Tourist Committees one each for the Northern, Southern, Eastern and Western Regions set up for implementing the Tourist Development Council recommendations by regular regional consultation and better coordination between the Centre and States. The Committee further note that the Department of Tourism has created another apex body National Tourism Board to advise the Minister of Tourism, relating to the improvement of tourism infra-structure in all its aspects and to suggest ways to coordinate tourism schemes and activities in the public and private sector. The Committee note that the National Tourism Board has not been delegated with any executive or financial powers. In the absence of any such powers, the Committee are not able to comprehend how far such a body can prove to be effective instrument for successful execution of tourism plans and policies. The Committee has, therefore, spelt out in greater detail their views about the reorganisation of the Department of Tourism at paras of this Report.

47 13.70 The Committee are glad to note that the Department of Tourism is a member of various International Tourist Associations such as (i) International Union of Official Travel Organisation (IUOTO); (ii) South Asia Travel Commission (SATC); (iii) Pacific Area Travel Association (PATA). The Committee would like the Department to make full use of these international forums and gain ideas which could be effectively Implemented in the field to win the confidence of foreign tourists.

13.75 The Committee are glad to note that a high level Central Coordinating Committee with re-

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presentatives of the Department of Tourism, Ministry of Education and Social Welfare headed by the Minister of Tourism and Civil Aviation has been set up with a view to undertake necessary measures for the development and promotion of cultural tourism in India. The Committee hope that drawing up of the coordinated plan for providing facilities at selected monuments of tourist importance, by the Department of Tourism and the Archaeological Survey of India, would go a long way in attracting tourist traffic to the country.

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APPENDIX IV

(Vide Introduction)

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Analysis of Recommendations contained in the Report.

Classification of recommendations

A. Recommendations for improving the organisation and working :

Serial Nos: 1-48

B.	Recommendations for effecting Economy :	Nil
С.	Miscellaneous Recommendations :	Nil

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