

**ESTIMATES COMMITTEE
(1975-76)**

(FIFTH LOK SABHA)

NINETY-SEVENTH REPORT

MINISTRY OF WORKS & HOUSING

Slum Clearance and Housing Schemes



सत्यमेव जयते

**LOK SABHA SECRETARIAT
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Ninety-seventh Report of Estimates
Committee (1975-76) on the Ministry
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(1975-76)

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Officer.*

INTRODUCTION

I, the Chairman, Estimates Committee having been authorised by the Committee to submit the report on their behalf, present this Ninety-Seventh Report on the Ministry of Works and Housing—Slum Clearance and Housing Schemes.

2. The Committee took evidence of the representatives of the Ministry of Works and Housing and Ministry of Finance on the 12th & 13th February, 1976 and 2nd April, 1976. 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 Shri C. M. Correa, Architect, Bombay and Shri C. S. Chandrasekhara, Chief Planner, Town and Country Planning Organisation 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 all Housing Boards, Bodies and individuals who furnished memoranda on the subject to the Committee.

5. The Report was considered and adopted by the Committee on the 24th April, 1976.

6. A summary of the recommendations/observations contained in the Report is appended to the Report (Appendix VIII).

7. A statement giving the analysis of recommendations/observations contained in the Report is also appended to the Report (Appendix IX).

R. K. SINHA,
Chairman,
Estimates Committee.

NEW DELHI;

April 28, 1976.

Vaisakha 8, 1898 (*Saka*)

CHAPTER I

INTRODUCTORY

A. Introduction

The extreme shortage of housing and the menace of the spreading slums are among the most urgent problems facing the industrial cities of India. These problems demand positive action to meet the pressing social and economic needs of the community.

1.2 A city is man's creation. Throughout history, city has been one of the principal instruments in social and economic advancement of man and society. The man with his organisational capacity has moulded the shape and adjusted the city to his own convenience. The city reflects the multiple character of individuals, their composite needs and aspirations.

1.3 In the past few decades, industrialisation in the developing countries has resulted in spectacular growth of cities. Urbanisation, or the process of high concentration of population in cities is closely connected with the physical shifts of people from countryside to urban areas.

1.4. The developing countries are facing the same problems which the developed countries faced in the early phase of industrialisation. There is accelerated migration and concentration of population in urban areas. This has been happening in the developing countries in the absence of well-defined industrialisation and urbanisation policy. Since the existing cities provide the basic infrastructure required for industrialisation, there has been concentration of economic activities within the physical limits of these existing cities. In the absence of comprehensive development planning these cities have experienced unintended, uncontrolled and unwieldy growth all over.

1.5. India is a developing country. 80 per cent of its population lives in villages. Agriculture is the base of Indian economy even today. After Independence attempts have been made at achieving planned socio-economic development in the country through Five Year Plans, which lay down clear objectives and goals.

1.6. In fulfilment of these objectives, India started planning its industrial economy (agricultural, basic and heavy industrial) on sound planning concepts. The basic infrastructure has been provided, and new industries set up in different parts of the country which has accelerated the process of industrialisation.

1.7. However, till today most of the industries are found in or near existing cities and metropolitan areas as the basic infrastructure required for industries was existing in these cities.

1.8. With the pace of industrialisation, urbanisation in India has been taking place. With 20 per cent of the population living in urban areas, India is one of the least urbanised countries but the net increase in the urban population in the last decade was 24 million. A high percentage of this huge population were migrants. Most of the cities have uncontrolled growth in the absence of urban development plans. In the absence of planned, urbanisation policy existing cities are overcrowded, over-strained and bursting at the seams.

1.9. With the industrialisation and urbanisation of the country, there has been acute housing shortage particularly in the urban areas, since the supply of housing has not kept pace with the growth of the cities. Between the years 1961 and 1971 the rate of growth of urban population in India has been 3.8 per cent as against an overall increase of population of 2.2 per cent per annum. Urban India today ranks the third largest country in the world next only to urban U.S.A. and urban U.S.S.R. It is estimated that the housing shortage on the eve of the Fifth Plan was 15.6 million units—3.8 in the urban areas and 11.8 in the rural areas. The estimated rate of housing construction in the country is around 2 dwellings per 1000 population per annum as against 10 per 1000 population recommended by the United Nations to wipe out the shortage. This housing shortage is further aggravated:

(i) Due to the short supply of housing (ii) Due to increase in population (iii) Due to unabated migration (iv) Low per capita income. The major percentage of the population in the cities (60 per cent) belongs to the poor and low income groups. Even the smallest house is beyond the purchasing or rent paying capacity of these people. This low income group cannot afford any housing by themselves.

1.10. In addition some housing schemes have been undertaken by the State Governments. However, in recent years, there has been awareness towards the housing problem of the weaker sections of the society and positive actions are being taken in solving this problem.

1.11. Due to concentration of industries near the existing cities, unplanned urbanisation and unabated migration and concentration of poor population from the depressed rural areas to the urban settlements problems of very complex nature are seen in the urban areas.

It has created social and economic imbalances. The migration has strained infrastructure facilities in the cities to the breaking point. The intermixing of various land uses has created confusion and chaotic conditions. There has been acute housing shortage in the urban areas with the result that the cities face very grave situation with shanty dwellings, squatting, over-crowding, slums and street sleeping in all the metropolitan and other cities throughout the country.

1.12. Since the rapid urbanisation of the country and large scale migration of the rural population to cities, particularly big and metropolitan cities, resulted in large scale growth of slums resulting in squalor and unhygienic conditions, the Central Government sponsored "The Slum Clearance/Improvement Scheme" in May, 1956 to deal with the situation. The primary object of the scheme was to clear the slums and resettle slum dwellers near their place of duty as far as possible. The scheme also envisaged slum improvement, subject to certain conditions. However, the scheme was transferred to the State Sector w.e.f. 1st April, 1969. As experience had shown that the clearance of slum was very difficult under the Slum Clearance/Improvement Scheme, 1956, the Government of India introduced a Central Sector Scheme for Environmental Improvement in Slum areas in 1972. This scheme was also transferred to the State sector on 1st April, 1974. Both the schemes which now form part of the State sector Plan are being financed by Central Government through block grants/loans which the State Governments are competent to utilise according to their priority and requirement.

1.13. It may be mentioned that according to the information furnished to the Committee the following committees have examined the slum problem in the country:

- (i) The Selected Buildings Projects Team on Slum Clearance which was appointed under the Chairmanship of Shri Gobind Vallabh Pant, then Minister of Home Affairs. The Report was presented in April, 1958.
- (ii) The Advisory Committee on Slum Clearance was constituted by the Prime Minister on 25th January, 1958 with the Union Law Minister as its Chairman. The Committee presented its Report in July, 1958.
- (iii) The Committee for Slum Clearance, Improvement Scheme and the Scheme for Environmental Improvement in Slum areas which was set up in July, 1974 under the Chairmanship of Joint Secretary (Housing) Ministry of Works and

Housing, on the recommendation of the Conference of Ministers of Housing and Urban Development held in Madras in May, 1974. The Report was presented in May, 1975.

1.14. The Estimates Committee also in their 37th Report (1972-73) on 'Housing' had, *inter alia*, examined the problem of slums and made observations in Paragraphs 6.21 to 6.35 of that Report.

1.15. It is well known that the extreme shortage of housing and the menace of the spreading slums are among the most urgent problems facing the cities of India. The Committee note that in order to deal with the situation, the Central Government introduced the Slum Clearance/Improvement Scheme in May, 1956 and the Scheme for Environmental Improvement in Slum Areas in 1972. The Committee have dealt with the impact made by these schemes in paragraphs 6.21 to 6.35 of their Thirty-Seventh Report on 'Housing'. In view of the crucial importance of finding a solution to the growing problem of slums, the Committee have further reviewed the programmes and the achievements made so far in tackling this problem.

1.16. The Committee also note that the problem of slums is an offshoot of the larger problems of growth of cities, growth of urban population and growth in migration from the rural to the urban areas. The Committee consider that what is required to deal with the problem is human volition and determination supported by well planned efforts for increasing the housing stock, decentralisation of urban activities and a sustained drive for integrated urban and rural development with emphasis on the growth of agrobased industries and creation of counter magnets to limit the flow of migrants to metropolitan cities. The Committee have dealt in the relevant sections of this Report the concrete steps taken by Government in this regard to arrest the proliferation of Slums.

B. Definition of Slums

1.17. A slum is defined in the Oxford Dictionary as "a street, alley, court etc., situated in a crowded district, town or a city and inhabited by people of low income classes or by very poor, a number of these streets and courts forming a thickly populated neighbourhood of a squalid and wretched character."

1.18. The slums are not a new phenomenon with the developed or developing countries. India is no exception as far as this problematic situation is concerned. Slums are found in all the major cities of India such as Bombay, Calcutta, Delhi, Madras etc. and to a

lesser extent in other cities like Kanpur, Surat etc. Different cities have different notions in this regard and every city has its own nomenclature for its slums. In Madras, the "Cheris" consisting of thatched huts and kacha constructions are designated as slums. In Kanpur, the slums mainly consist of *Abadies* and *Ahatas*. *Abadies* are old outlying villages which have come within city limits as a result of the city's expansion. *Ahatas* on the other hand, are pockets of thickly built-up and over-crowded area, consisting of kacha huts, partly underground without means of light and ventilation and sanitary facilities. The *bustees* of Calcutta are almost of similar nature equally unhygienic and over-crowded. Similarly, slums are existing in Bombay in the form of "Chawls" and in Delhi in the form of "Katrass" and "Kuchas", and squatters' clusters.

1.19. The definition of a slum area in the slum enactments of the Centre and of the States which have enacted legislation is based partly on environmental factors and partly on the condition of structures. In the Slums Areas (Improvement Clearance) Act, 1956 which is a Central legislation, the Definition has been given as under:—

"3(1) where the competent authority upon report from any of its officers or other information in its possession is satisfied as respects any areas that the buildings in that area—

- (a) are in any respect unfit for human habitation; or
- (b) are by reasons of dilapidation, over-crowding, faulty arrangement and design of such buildings, narrowness or faulty arrangement of streets, lack of ventilation, light or sanitation facilities, or any combination of these factors are detrimental to safety, health or morals, it may by notification in the official Gazette, declare such area to be a slum area.

(2) In determining whether a building is unfit for human habitation for the purposes of this Act, regard shall be had to its condition in respect of the following matters, that is to say—

- (a) repair;
- (b) stability;
- (c) freedom from damp;
- (d) natural light and air;
- (e) water supply;
- (f) drainage and sanitary conveniences;

- (g) facilities for storage, preparation and cooking of food, for the disposal of waste water; and the building shall be deemed to be unfit as aforesaid if and only if it is so far defective in one or more of the said matters, that it is not reasonably suitable for occupation in that condition.'

1.20. It has been stated that similar legislations have been enacted by several States which embody almost a similar definition of slums. For instance, the Maharashtra Slum Area (Improvement Clearance and Re-development) Act, 1971 reproduces the Central Act's definition. The Tamil Nadu Slum Areas Improvement and Clearance Act, 1971 adopts the Central Act's definition in respect of slum structures and adds that any area which "is or may be a source of danger to the health, safety or convenience of the public of that area or its neighbourhood by a reason of the area being low-lying, insanitary, squalid, over-crowded or otherwise" may be declared a slum area. The West Bengal Slum Areas Improvement and Clearance Act, 1970 has summarised the main features of the Central Act and Section (3) provides "if the State Government is satisfied that the condition of the land, huts or other structures in any area is such that the continued existence of such conditions would be injurious to public health or safety to or the health, hygiene or morals of the inhabitants of such area, it may be declared as a slum area."

1.21. The USA Housing Act of 1949 defines a slum as "any predominantly residential area where the dwellings which, by reason of dilapidation, over-crowding, faulty arrangement of design, lack of ventilation, light or sanitary facilities or any combination of these factors are detrimental to safety, health or morals."

1.22. When asked whether the definition of slum area in the slum enactments of the Centre and of the States was very wide ranging and had become synonymous with sub-standard housing without services and amenities, the representative of the Ministry of Works and Housing stated during evidence:—

"We have to look at slums from the point of view of the whole concept of living conditions in any areas. It is true that the definition of slums may not exactly correspond to the definition given by different States or the Centre. But the main thing is that the definition is based on a combination of structural as well as environmental conditions. For instance in a very modern and developed country the definition of slum may describe conditions of living and housing which perhaps in our country would be considered as reasonably good. Similarly, within the country

the conditions of living and way of life of the people would certainly have aspects which would not make it possible to define slums in any exact manner applicable to the whole country. That is why we have not attempted to define slums in any mathematical kind of manner, but broadly speaking, the definition has been based on a combination of circumstances, structural as well as environmental. That is why you may find certain differences and it would not be very right for me to say that this definition would be synonymous with substandard conditions. It would not also be appropriate for us to say that there is any percentage of slums in a particular city. Conditions in different cities are different. Conditions in rural areas are different."

1.23. Asked if the definition of the slums in the various States could be uniform at least for the purpose of obtaining Central assistance, the representative of the Ministry stated "the different State Governments have passed their own legislation and we have not tried to bring them on to one pattern because the problem cannot be exactly the same". About the allocation of central assistance the representative of the Ministry, while explaining the procedure broadly, stated:—

"We are not really so much worried about the definition of slums in particular enactments. That is not of concern to us because we have left it to the initiative and imagination of different State Governments to define 'a slum' as they want, but how we allocate funds is really a matter of how the schemes are prepared and placed before us. Now, if a particular State Government comes up with a scheme for slum clearance, we naturally weigh that scheme in relation to the particular idea of slum clearance that we have in mind and accordingly, we allocate funds. Say, for arguments sake, if a particular State does not propose, any slum clearance scheme, then we are not in a position to force down their throats some money for slum clearance. * * * * * We have no centrally-sponsored scheme at the moment for allocating funds. If there was a scheme, then we would have allocated *suo-motu* on our initiative."

1.24. In this connection it may be mentioned that the Vice-Chairman of Delhi Development Authority during his evidence before the Committee, regarding 'Slums' *inter alia* stated:—

"Unfortunately in Delhi there have been certain declarations under which certain areas have been mentioned as slum

areas, in the technical sense under the Slum Clearance Act....But I would say that the notification showing the entire area of the walled city as slum area is wrong and it is not a correct definition because in the context of some of the beautiful areas of the walled city, we cannot declare the whole of the walled city as slum area....”

1.25. The Committee note that the definition of slums is broadly similar in the enactments of the Central and State Governments relating to Slum Improvement and Clearance. The Committee, however, feel that the definition of slums is wide-ranging and liable to different interpretations and may bring within the compass of the Acts sub-standard housing without services and amenities, inhabited by very low income groups, which could with some marginal improvements be made habitable for a long period without being detrimental to safety, health or morals. They feel that according to the legal definition very substantial portions of urban areas in the country may well come within the encompassing definition of slums. The Committee consider that slum is in fact an inappropriate word to be used in Indian conditions where people forced by circumstances and deficiencies in socio-economic conditions have to put up in certain areas. Most old and historical cities have congested residential areas, not properly served by sanitary and other amenities, yet they have a healthy social structure with economic activity and they cannot, therefore, be declared as slums although they do constitute sub-standard housing conditions. As for instance, the representative of the Delhi Development Authority admitted during evidence that “the notification showing the entire area of walled city of Delhi as slum is wrong and it is not a correct definition because in the context of some of the beautiful areas of the walled city, we cannot declare the whole of the walled city as slum area.”

1.26. The Committee, therefore, are of the view that the scope of the definition of a slum area should be narrowed to bring within the compass of the Act only those areas with predominantly undesirable structures and poor environmental conditions which afford no possibilities for safe habitation even after effecting certain critical improvements. In such a case the magnitude of the problem of slums will be limited and more manageable and it would be well within the means and resources of Government to tackle the problem in a purposeful and selective manner and to concentrate its activities in the eradication of the worst slums. The Committee also feel that a more precise definition of slums would be of considerable help to the local authorities to determine the priorities for action in respect of slums and to enable them to take up the worst slums first.

1.27. The Committee would, therefore, suggest that Central Government may issue guidelines to the State Governments for defining slum in their respective Acts, with particular reference to their physical and social aspects so that the scope of the problem is limited to the clearance or improvement of such of the areas as need the utmost urgency in terms of the enormity of the problem. The Committee, however, would like to make it clear that this does not apply to unauthorised slums.

Enactments in States

1.28. According to the information furnished to the Committee, 9 States *viz.*, Andhra Pradesh, Gujarat, Madhya Pradesh, Maharashtra, Karnataka, Tamil Nadu, Uttar Pradesh, Punjab and West Bengal, have enacted legislation on Slum Clearance Improvement. The provisions contained in these enactments are stated to be generally on the same pattern as those provided in the Central Act of 1956 and the common features are the following:—

- (a) Definition of slum areas.
- (b) Power of competent authority to require improvements to be carried in slum areas, to make them fit for human habitation.
- (c) Power of Competent Authority to direct that no person shall erect any building in a slum area except with previous permission in writing of Competent Authority.
- (d) Power to issue order of demolition of building in a slum area if it is unfit for human habitation and is not capable at reasonable expense of being rendered so.
- (e) Power of Competent Authority to declare an area as a clearance area.
- (f) Competent Authority to make a slum clearance order ordering demolition of buildings and vacation of premises.
- (g) Power of Competent Authority to redevelop cleared areas.
- (h) Other provisions incidental to the purposes enumerated at (a) to (g) above.

1.29. The legislation enacted by the State of Gujarat does not contain any provision for acquisition of land. The legislations of the remaining States contain such a provision, but the principles for determination of compensation or amount, as the case may be, for the lands acquired under the provisions of the Act vary from State to

State. As an illustration, it may be mentioned that the Mysore Slum Areas (Improvement and Clearance) Act, 1973 fixes the amount payable as 100 times the property tax on the date of publication of notice. In case of legislation enacted by the Government of Maharashtra the compensation is the amount determined by agreement between the State Government and the person to be compensated or in the absence of agreement, 100 times the net average monthly income actually derived during the preceding five years.

1.30. In this connection, mention may be made of the following recommendation in the Report of the Selected Buildings Projects Team on Slum Clearance (1958):—

“Considering the inadequacy of the provisions made in the various slum clearance Acts, we strongly recommend that a critical study of the various acts should be made by a Special Committee which should formulate a Model Slum Clearance Legislation for the guidance of all States. The legislation should include measures for slum preventions, acquisition of slum sites and rehousing sites, slum servicing and improvement and also rehabilitation of sub-standard housing. The problem of slum clearance has to be tackled on an all-India basis and it is essential to have a uniform legislation for the purpose.”

1.31. Explaining the reasons for non-enactment of legislation in the remaining States, the Secretary of the Ministry of Works and Housing informed the Committee during evidence as follows:—

“It is true the 9 States mentioned have enacted specific legislation on slum clearance/improvement. But the problem of slums at least in the initial phases is a problem of towns and cities basically. But where there are municipalities, improvement trusts, town planning organisation, they have provision for clearance and improvement of slums. Therefore, to the extent that these administrations can do it, these are provided, if not in enactments, in their rules of business/administration.”

1.32. The Committee are surprised to note that only 9 States, viz., Andhra Pradesh, Gujarat, Maharashtra Madhya Pradesh, Karnataka, Tamil Nadu, Uttar Pradesh, Punjab and West Bengal have enacted legislation on Slum Clearance and Improvement and the remaining States have not so far enacted such a legislation. The Committee

have been informed that provision exists for slum clearance/improvement in the rules of business etc. of Improvement Trusts, Municipalities and Country Town Planning Organisations of other States and that 'to the extent that these administrations can do it, these are provided, if not in enactments, in their rules of business/administration.' The Committee, however, consider that the rules of business/administration of the Improvement Trusts, Municipalities etc., do not constitute effective alternative for undertaking meaningful measures for Slum Improvement/Clearance in the absence of proper enactments for the purpose. Absence of statutory backing and limitation of funds will result, by and large, in the efforts of the local authorities being sporadic in character, and any large scale clearance of slums will be ruled out especially where the initial cost of acquiring slum areas and payment of compensation therefor are beyond their resources. The Committee would therefore urge the Government to persuade the remaining States for taking immediate steps for enacting a legislation so as to facilitate the clearance and improvement of slums in a purposeful and coordinated manner.

1.33. The Committee also note that there are varying provisions and procedures in the enactments for acquisition of land and for payment of compensation etc. No such provision however exists in the Gujarat legislation. In this connection, the Committee would like to draw the attention of Government to Paragraph 6.56 of the Report of the Selected Building Project Team on Slum Clearance (1958) where it has been recommended that "a critical study of the various Acts should be made by a special committee which should formulate a Model Slum Clearance legislation for the guidance of the States. The legislation should include measures for slum prevention, acquisition of slum sites and rehousing sites, slum servicing and improvement and also rehabilitation of sub-standard housing. The slum problem has to be tackled on an all India basis and it is essential to have a uniform legislation for this purpose."

1.34. The Committee regret to note that no action has so far been taken on the recommendation. They would, therefore, urge upon the Government to examine the recommendation of the Team in all its aspects and bring forward at an early date a model legislation for slum clearance and improvement so that the problem is tackled in a systematic manner all over the country.

C. Magnitude of the problem

1.35. The problem of slums is essentially the problem of growing inequality and poverty of the area concerned and is not peculiar to
416 L.S.—2.

any part of the world. The developing nations as also the economically advanced countries face these problems, alike, though the intensity may vary from nation to nation and area to area within a country. However, a characteristic phenomenon of slums is their mushroom growth.

1.36. National Census data does not contain information on slum population and hence no precise information regarding the size of slum problem over the year 1951, 1961 and 1971 is available. The Ministry of Works and Housing in a written information furnished to the Committee have stated that State-wise or city-wise information on slum population during the various plan periods is not available with them. However, the Working Group on Slums, set up by the Planning Commission before the Fifth Plan, had, on the basis of information collected from some of the metropolitan and major cities above 5 lakh people, estimated that about 20 to 25 per cent of the urban population might be living in slum areas. On this basis, the Working Group had estimated that out of 1971 urban population of 108.7 million, nearly 22 million or in other words 4.5 million households might be living in slum areas. The Working Group has further stated that "as regards slum population requiring clearance and rehousing, the backlog would be 6 million by 1974. During the period 1974—79 there would be an addition of nearly 5 per cent per annum in the urban population of towns of 3 lakhs and above and therefore, the figure of 6 millions may be expected to increase to 7.5 millions requiring provision of nearly 2 millions housing units. On an average of Rs. 7,000 per such unit, the cost involved would be Rs. 1400 crores."

1.37. This problem of slum population is a national urban phenomenon. On the basis of data, collected by some of the State Governments the position is indicated below:—

Calcutta—No accurate estimate of bastee dwellers in the Calcutta Metropolitan Area is available. However, on the basis of field surveys, the Calcutta Metropolitan Development Authority have estimated that out of the total population of 8.2 million, 2.4 million are living in bustees. This assessment is exclusive of other marginal settlements occupied mainly by displaced persons from erstwhile East Pakistan.

Bombay—An enumeration conducted in 1968 indicated that number of hutment colonies in Greater Bombay was 206 with a total population of 6,31,888.

Madras City—According to a preliminary assessment made by the Tamil Nadu Slum Clearance Board, the total number of slum dwellers in Madras City was 4,12,169 in 1961 and 7,37,531 in 1971. The percentage of slum population to the total population of the city was 23.8 in 1961 and 33.49 in 1971.

Delhi—In the Union Territory of Delhi, the total population living in areas notified as slums under Section 3 of the Slum Areas (Improvement and Clearance) Act, 1956 is estimated at 13.2 lakhs.

Kanpur—The slum population in Kanpur during the year 1971 was 5,09,200 and this constituted 40 per cent of the total population of the city.

Ahmedabad—According to socio-economic survey carried out by Operations Research Group, Ahmedabad, the population of Ahmedabad, is 16 lakhs with 737 slums and 51,000 slum households.

1.38. Asked if Government or any semi-Governmental organisation had conducted any special surveys to find out the precise information on slum population in the country, the Secretary of the Ministry of Works and Housing stated during evidence:—

“No survey of slums in exact term can ever be accurate in a time horizon. The reason is that slums are growing in certain areas, almost every other day. In Bombay 600 persons are coming in daily, out of this at least 300 or even a modest estimate of 100 persons would be settling down without any proper housing facilities. There are no ready-made houses for 600 people in Bombay city. So any survey in a time horizon is not likely to be authentic or accurate; it will be fluid. Therefore, we have to go by the broad situation regarding slums. We have authentic figures relating to projects that had been taken up for clearance or improvement. Different State Governments have from time to time commissioned surveys. For instance, the Maharashtra Government have already initiated such a survey of slums in Bombay. Similarly, the Calcutta Metropolitan Development Authority have made some special surveys regarding slum population of the areas to be taken up for improvement.”

1.39. About Delhi, the Vice-Chairman of the Delhi Development Authority clarified the position as follows:—

“Broadly speaking, 25 per cent of the population will be living in a condition of what we may consider as slum. Unfortunately, in Delhi there have been certain declarations under which certain areas have been mentioned as slum areas, in the technical sense under the slum clearance Act. That was done when the scheme was with the Corporation. From 1966 onwards, this subject has been dealt with by the DDA. Now for instance, the entire walled city of Delhi appeared under the slum area. If you take this also into account then the percentage can come to about 33. But I would say that the notification showing the entire area of the walled city as slum area is wrong and it is not a correct definition because in the context of some of the beautiful areas of the walled city, we cannot declare the whole of the walled city as slum area. But broadly speaking, I think 25 per cent of the people would be living in a condition where this can be slums”.

1.40. The representative of the National Building Organisation informed the Committee during evidence that the NBO were already conducting a house-to-house survey of four big cities of Bangalore, Ahmedabad, Kanpur and Hyderabad, through the Indian Institute of Economics, Hyderabad and the Indian Institute of Public Administration, New Delhi, to find out (i) the slum population of these cities; (ii) the living conditions of slum dwellers and (iii) the availability of environmental facilities. The surveys are likely to be completed within 6—8 months.

1.41. The Study Group of Estimates Committee which visited Bombay in March, 1976 were informed that Maharashtra Government carried out for the first time a slum census in Bombay on the night of 4th January, 1976. The census covered the squatters on Government land, Corporation land and land of the State Government Public Undertakings. The operation was carried out within a matter of weeks of the idea being mooted and was done by an effective coordination among the Additional Collector responsible for looking after encroachments on land, Corporation Authorities and the Director of Census Operations. The census enumerators were imparted the requisite training beforehand. A few days before the operation, the head of each dwelling unit on Government land etc., was asked to keep ready three copies of his photograph. Only relevant information essential for determining the size and nature

of problem and for tackling it was covered in the census operation. The census data, *inter alia* included information about the family members and their relationship with the head, employer's address, home town, period of residence in Bombay and the slum area, area in possession, monthly rent paid etc. Each head of the dwelling unit would now be issued an identity card with photograph showing necessary details about him and the persons in the dwelling unit.

Asked whether any study had been made of the magnitude of slum problem in rural areas and if so, how the Government proposed to tackle the problem there the representative of the Ministry stated during evidence that no such study had been made, but by and large the problem in the rural areas was taken care of under the Minimum Needs Programme which covered the various aspects of human existence. He added that if they were able to tackle it as a special problem in the rural area, they would take it up when funds became available.

1.42. Squatting is also a form of slum dwelling. Though statistical information on squatting is scanty, the problem obviously exists in many of our big cities and probably getting aggravated. A recent study of the "squatting settlement" in Delhi reveals that more than half-a-million people are living in 1,373 clusters of Jhuggi-Jhompri dwellers. It also indicates that whereas in 1951 there was only one 'squatter' household over 20 non-squatter households in urban Delhi, it was so in 1973, for less than 5 non-squatter households. Besides, the squatter population has been growing at an annual rate of 12 per cent in comparison to the growth of population of the city at 4.5 per cent. The average size of a dwelling consists of about 100 sq. ft. with some open space left all around it. Houses are generally used as stores for the belonging of the owner or for sleeping and most of the life of the community is carried on the open space and in the lanes.

No precise data is available to ascertain the magnitude of squatter population in the other metropolitan and large urban centres. However, it is estimated that 15 to 20 per cent of the population live in squatter settlements of Calcutta and Greater Bombay and these are growing twice or thrice as fast as the annual rate of growth of cities.

1.43. The Committee are concerned to note that all these years no effort has been made to ascertain the exact magnitude of slum problem in the country and that Government have been proceeding in the matter of clearance and improvement of slums on an ad hoc basis. The Committee feel that if Government had assessed the problem

at regular intervals in the past and taken remedial steps simultaneously, the problem might not have assumed the alarming proportions as it has today.

1.44. The Committee note that the Working Group on Slums set up by the Planning Commission before the Fifth Five Year Plan had, on the basis of information collected from some of the metropolitan and major cities above 5 lakh people, estimated that about 20 to 25 per cent of the urban population might be living in slum areas and that on that basis, out of the urban population of 108.7 millions in 1971, nearly 22 million might be living in slum areas. As the conclusions drawn by the Working Group are merely estimates and do not cover the towns and cities with less than 5 lakh population where also slums exist, it is evident that the slum population in the country is much more than estimated by the Working Group. The Committee are surprised to note that even the States which are badly affected by slums have not gathered authentic information on the subject, except in the case of Bombay in Maharashtra State where an enumeration of the slum dwellers has recently been carried out.

1.45. The Committee would like Government to have a special survey of slums made on an-all-India basis particularly of the worst slums so that the magnitude of the problem is shown and effective and realistic measures could be evolved to deal with this problem. In order to keep a watch over further growth of slums, it is necessary that such surveys are made nearabout the time of each National Census. These surveys should include information about the socio-economic conditions of slum dwellers. In this connection the Committee would like that the utility of the data of the slum dwellers gathered at Bombay may be evaluated to identify significant aspects which should be specifically covered in the census/surveys.

1.46. The Committee would also like Government to pay attention to the sanitary and hygienic conditions in rural areas by providing for lay-out plans, paved pathways, drainage etc., so as to improve the living conditions in villages, particularly in larger villages, which would also help in arresting the drift of rural population to the urban areas which mainly results in the growth of slums.

CHAPTER II

SLUM CLEARANCE AND IMPROVEMENT

A. Slum Clearance and Improvement Scheme

To meet the situation caused by the growth of slums, the Slum Clearance/Improvement Scheme was introduced by the Government of India in May, 1956. The scheme which is being implemented through the State Governments provides for—

- (a) the acquisition of slum areas and the re-housing of families living in slum areas whose income does not exceed Rs. 350 p.m.
- (b) the improvement of environmental conditions in the existing slums (e.g. paving of streets, provision of W.Cs. water supply, street lights and drainage).
- (c) construction of night shelters (to provide sleeping accommodation to pavement dwellers on a nominal charge).

2.2. The two important principles on which the scheme is based are:—

- (i) there should be minimum dislocation of slum dwellers and efforts should be made to re-house them as far as possible at the existing sites of the slums and/or sites nearby, in order to ensure that they are not uprooted from their fields of employment.
- (ii) in order to keep down rents, within the paying capacity of slum dwellers, the emphasis should necessarily be laid more on provision of the minimum standards of environmental hygiene and essential services rather than on construction of any elaborate structures.

2.3. The scheme continued in the Central Sector upto 31st March, 1969 when it was transferred to the State Sector. During the period the scheme was in the Central Sector, the Central Government gave financial assistance to the State Governments and Union Territories in the shape of loans and grants for undertaking specific programmes

of slum clearance/improvement, while the actual execution of the Scheme was entrusted to the State Governments. After transfer to the State Sector during the Fourth and Fifth Plans, the State Governments have responsibility not only for execution of the projects but also for the provision and sanction of projects. The Central assistance for all States Plan schemes is admissible under the pattern of block grants and block loans for various schemes, including this scheme which the State Governments are free to utilise in accordance with their own priorities and requirements. At present, the role of the Centre, is therefore, of an advisory nature.

2.4. The pattern of assistance under the scheme upto 1st April, 1966 (i.e. projects sanctioned upto the year 1965-66) was 75 per cent Central assistance (37½ per cent as loan and 37½ per cent as subsidy), the remaining 25 per cent being borne by the State Government in the form of subsidy. From 1st April, 1966 onwards (i.e. in respect of projects sanctioned on and from this date), the pattern of assistance was 87½ per cent as Central assistance (i.e. 50 per cent loan and 37½ per cent subsidy), the remaining 12½ per cent being borne by the State Government in the form of subsidy. During the period the scheme was in the Central sector, a total amount of Rs. 34.32 crores was disbursed to the State Governments as Central assistance. The following table indicates the allocation of Central assistance and its drawal upto 31st March, 1969.

(Rs. in lakhs.)

Sl. No.	Name of the State/Union Territory	Financial assistance allocated upto 31-3-69	Financial assistance drawn upto 31-3-69
1	2	3	4
STATES			
1.	Andhra Pradesh	303.91	138.41
2.	Assam	28.00	12.07
3.	Bihar	171.60	88.65
4.	Gujarat	959.20	324.48
5.	Jammu & Kashmir	94.23	26.40
6.	Kerala	112.03	31.19
7.	Madhya Pradesh	88.73	57.02

1	2	3	4
8.	Karnataka	166·18	52·49·
9.	Maharashtra	685·85	733·35
10.	Orissa	62·52	30·66·
11.	Punjab	90·10	50·16·
12.	Rajasthan	86·29	11·00·
13.	Tamil Nadu	756·16	498·33
14.	Uttar Pradesh	619·23	240·51
15.	West Bengal	769·40 (—)723·40*	336·60·
UNION TERRITORIES			
16.	Delhi	935·87@	798·53@
17.	Tripura	4·00	1·89
TOTAL		5210·30	3431·80

*Actual expenditure during 2nd Plan period was to be limited to Rs. 12·99 crores, as a result of re-appraisal of plan resources. The Third Plan outlay was reduced by 21 lakhs. Hence the reduction of 723 lakhs.

@upto 1969-70.

It will be noticed that the number of States/Union Territories who have drawn financial assistance can be broadly classified as follows according to the amount drawn.

Assistance drawn	No. of States/Union Territories
Over Rs. 400 lakhs	3
Over Rs. 300 lakhs and upto Rs. 400 lakhs.	2
Over Rs. 100 lakhs and upto Rs. 300 lakhs.	2
Less than Rs. 100 lakhs.	10

2.5. Asked about the reasons for the wide variations in the quantum of Central assistance under the scheme to various State Governments, the Ministry of Works and Housing in a written note have stated that the States Governments were themselves competent to sanction projects under the scheme upto the Annual Plan allocation

approved by the Planning Commission. The Central financial assistance is released to the State Governments each year on the basis of expenditure incurred by them under the Scheme. In some cases, the assistance provisionally released to the State Governments was found to have not been fully utilised and refunds were effected by adjustment of excess assistance at the time of release of assistance during the next financial year. In some cases, no releases were made as a few State Governments had not incurred any expenditure under the Scheme in a particular financial year. Thus, according to the Ministry, the Central assistance was dependent on (1) the amount budgeted for the State Government in their Annual Plan and approved by the Planning Commission, and (ii) the expenditure incurred by the State Governments on the execution of the scheme.

2.6. The Committee note that in order to deal with the growing problem of slums, the Slum Clearance/Improvement Scheme was introduced by Government of India in May, 1956 with the primary object of improving the slums and re-settling the slum dwellers near their place of employment. While the actual execution of the scheme was entrusted to the State Governments, financial assistance by way of loans and grants was provided by the Central Government to the extent of 75 per cent of the cost of projects upto 1st April, 1966 and 87½ per cent of the cost of the projects from 1st April, 1966. The scheme was transferred to the State sector with effect from 1st April, 1969.

2.7. The Committee further note that during the period, the scheme was in the Central sector, against a total allocation of Rs. 52 crores for the period upto 31st March, 1969, a total amount of about Rs. 34 crores was disbursed to the State Governments under the scheme. There was thus a shortfall of about Rs. 18 crores in expenditure against allocation. The reasons for shortfall are stated to be that the Central assistance was dependent on the amount approved for inclusion in the Annual Plan of the State and the expenditure incurred by the State Government on the execution of the schemes, and that the assistance provisionally released to the State Governments was found not to have been fully utilised and that in some cases, no releases were made as a few State Governments had not incurred any expenditure under the scheme in a particular financial year.

2.8. The Committee are constrained to observe that the shortfall in the utilisation of the amount allocated for Slum Clearance/Improvement Scheme indicates lack of purposeful planning and programming to deal with the problem of slums which is assuming

large dimensions. The Committee consider that in a planned economy, where scarce resources have to be distributed for various developmental purposes under a system of overall priorities, it becomes incumbent on the authorities to formulate and implement their programmes in such a way as to ensure effective utilisation of the amounts which have been allocated with difficulty, in the face of other competing demands from various sectors of the economy. The need for evolving a strategy for making the best use of the resources by well-planned and well co-ordinated programmes and by rationalising and streamlining the administrative machinery for execution of the programmes need hardly be emphasised. The Committee recommend that the deficiencies in preparing programmes for slum clearance/improvement and in implementation thereof should be clearly identified and concerted efforts made for taking remedial action so as to make meaningful use of the available resources for dealing effectively with the growth of slums.

2.9. The Committee note that while 5 States/Union Territories have drawn over Rs. 300 lakhs each as central assistance during the period from 1956 to 1969, 12 States have drawn less than Rs. 300 lakhs each out of which, ten have drawn less than Rs. 100 lakhs. The Committee consider that whereas financial assistance is released to the State Governments on the basis of expenditure incurred by them under the Scheme, it may well be that the States which have lagged behind in availing of the central assistance, may not possess the requisite machinery and technical competence to formulate and implement the schemes, even though the magnitude of the problem of slums in such States may be no less or rather may be even more than the States which have secured a large measure of central assistance. The Committee feel that it would only be equitable if the central assistance to the States is given with reference to the gravity of the problem of slums which requires to be solved rather than on the basis of the capacity of the States to formulate schemes and incur expenditure. In the opinion of the Committee, the Central Government should provide guidance and assistance to the States with large slum population, which lag behind in the formulation and execution of the schemes so that they are enabled to tackle their slum problem effectively and do not lag behind the better equipped States.

Progress under the Scheme

2.10. The total number of dwelling units sanctioned during the period, the Scheme was in the Central Sector, was 108,215 units of

which 67,657 units were actually completed during that period. The details are given below:—

Total No. of dwelling sanctioned and completed during the period 1956—1969 (upto 31st March, 1969)

Sl. No.	Name of the State	Total Number of houses sanctioned.		Percentage of (4) to (3)
		sanctioned	completed	
(1)	(2)	(3)	(4)	(5)
1.	Andhra Pradesh	9425	5421	57.5
2.	Assam	362	362	100
3.	Bihar	2372	270	11.4
4.	Gujarat	12203	8365	68.5
5.	Kerala	1112	634	57
6.	Madhya Pradesh	3235	1631	50
7.	Mysore	5796	1458	25
8.	Maharashtra	24881	21132	81
9.	Orissa	1017	244	24
10.	Punjab	900	745	82
11.	Rajasthan	512	282	55
12.	Tamil Nadu	23516	11884	50.5
13.	Uttar Pradesh	8650	7405	85
14.	West Bengal	7100	4836	68
15.	Delhi	7074	2928	41
16.	Tripura	60	60	100
TOTAL		108215	67657	62

2.11. It will be seen that the percentage of houses completed, to houses sanctioned are particularly low in the case of Bihar, Madhya Pradesh, Mysore, Orissa, and Delhi being 50 per cent and less. In terms of actual number of houses completed, Maharashtra, Tamil Nadu, Gujarat, Uttar Pradesh, Andhra Pradesh and West

Bengal have constructed more than 4000 houses each Maharashtra leading with 21,132 houses.

2.12. A statement showing the number of houses sanctioned/constructed and approved outlay/expenditure incurred by the States/Union Territories Government under slum Clearance/Improvement Scheme as per progress reports (upto 1974) received by Ministry of Works and Housing from States/Union Territories is at Appendix I.

It will be seen from the statement that 1,02,864 houses have been constructed against a total number of 1,53,842 houses sanctioned under the scheme. This represents an addition of 35,207 houses after 31st March, 1969.

2.13. The Committee have been informed in reply to a question that the progress of the Scheme after its transfer to the State Sector has been uneven and the principal reasons therefor could be attributed to:—

- (i) the magnitude of the problem of slum clearance and housing of slum dwellers;
- (ii) the constraint of resources;
- (iii) the expensiveness of the clearance programme;
- (iv) the reluctance of slum dwellers to shift to alternate sites.

During oral evidence, the Secretary of the Ministry of Works and Housing admitted that the programme of Slum Clearance was "much slower than what we would have expected it to be. As far as implementation point is concerned, there again the progress has been slow admittedly."

2.14. The Committee note that during the period the Slum Clearance/Improvement Scheme was in the Central Sector from 1956 to 1969, only 67,657 houses were completed against a total of 108,215 units sanctioned. Thus the number of houses completed, constituted 62 per cent of the units sanctioned. The average number of houses completed per year since the inception of the Scheme works out to 5204 units. The Committee also note that there is a wide gap between the number of units sanctioned and the units completed in respect of many States. The gap is particularly wide in the case of States such as Bihar, Uttar Pradesh, Mysore, Orissa and Delhi where the number of houses completed was less than even 50 per cent of the units sanctioned. While fully realising that the number of units sanctioned was itself not sufficient to make any sizeable impact on

the slum problem in the country, it is a matter of regret that even these modest targets could not be fulfilled. It is a sad reflection on the planning and organisational set up. The Committee recommend that if any substantial progress is to be made in alleviating the human misery which the slums represent, it is important, that any lacunae in the fields of planning and organisational set up should be immediately removed.

2.15. After noting the poor performance of the scheme during the 13 years it remained in the Central Sector, the Committee have come to the conclusion that no amount of financial assistance whether at central or state level for construction of tenements for the slum dwellers can resolve the gigantic slum problem in an effective manner, particularly when the slum population has assumed the proportion of about 20—25 per cent of the country's urban population. The Committee would like to point out that the Working Group on slums had estimated that by 1979, the towns with a population of 3 lakhs or above, would have 7.5 million slum dwellers requiring a provision of nearly 2 million slum housing units. On an average expenditure of Rs. 7000 per unit, the cost involved would be about Rs. 1400 crores which is beyond any foreseeable resources for the purpose. The Committee realise that the task of slum clearance is immense and that with the present physical and financial limitations, complete elimination of slums may not be possible. The Committee, however, feel that if the problem has to be solved in a more meaningful manner, the emphasis may have to be shifted to the improvement of the slums and sub-standard areas and implementation of "sites and services schemes."

Un-economic rents of Tenements

2.16. The Study Group of the Committee during their visit to Madras learnt that the tenements built for slum dwellers at Mt. Road have been built at a cost of Rs. 10,000 each. The rent charged is Rs. 15 with water and electricity, Rs. 12 with water but without electricity and Rs. 10 without water and electricity per month. The economic rent of these tenements was stated to be about Rs. 70 per month. It was stated that the subsidised rent charged was hardly sufficient to meet the maintenance charges.

2.17. The Committee during their visit to Madras were informed that the rent being charged for slum tenements is Rs. 10 per month (without water and electricity charges) whereas the economic rent worked out to about Rs. 70 per month per unit. The Committee gathered an impression that the subsidised rent of Rs. 10 per month

per tenement may not even be sufficient for maintaining the tenement. In that case, these new tenements which have been developed at high costs may degenerate into sub-standard living conditions after some time and thus defeat the very objective for which they were constructed. The Committee would, therefore, like Government to consider whether it would not be more appropriate to give a sense of involvement to the occupants by making available these tenements on long term hire-purchase basis instead of collecting the licence fee. The Committee would like this aspect to be gone into more carefully by an Expert Body which should have representatives of leading social organisations, actually working in that area and Finance etc.

B. Scheme for Environmental Improvement in Slum Areas

2.18. The Slum Clearance|Improvement Scheme 1956 also envisaged slum improvement, subject to certain conditions. That schemes, however, did not make much progress. As experience had shown that the clearance of slums was very difficult, the Government of India introduced in April, 1972 a Central Sector Scheme for Environmental Improvement in Slum Areas. The Scheme continued in the Central Sector upto 31-3-1974, after which it was also transferred to the State Sector.

2.19. Under this scheme cent per cent grant assistance was given to the State Governments for carrying out improvements in the slum areas which were not due for clearance at least for the next ten years. The Scheme envisaged the provision of basic amenities like W. Cs, water-taps, paved streets, electricity etc. with a view to improving the environment of the area. The Scheme was initially introduced in 1972-73 to 11 metropolitan cities with population of not less than 8 lakhs. Subsequently, the Government decided to extend the scheme to one major city in each of the remaining States. Thus 9 more cities were added, making a total of the following 20 cities:—

- | | |
|--------------|--------------|
| 1. Bombay | 11. Lucknow |
| 2. Calcutta | 12. Indore |
| 3. Delhi | 13. Jaipur |
| 4. Madras | 14. Srinagar |
| 5. Hyderabad | 15. Patna |
| 6. Ahmedabad | 16. Cochin |
| 7. Bangalore | 17. Ludhiana |
| 8. Kanpur | 18. Cuttack |
| 9. Poona | 19. Gauhati |
| 10. Nagpur | 20. Rohtak |

2.20. A provision of Rs. 30 crores for the Scheme was made during the years 1972-73 and 1973-74, when the scheme was in the Central Sector. The release of assistance was related to the projects submitted for the various cities and approved by the Central Government. Normally 25 per cent of the approved cost of Project was released at the time of sanction and further releases were based on the progress of expenditure in 2/3 instalments.

2.21. A statement indicating city-wise the number of projects approved, population benefited, value of projects sanctioned, amounts released during the years 1972-73 and 1973-74 and the expenditure incurred by the State Governments|Union Territories as on 31-3-75 is given at Appendix II. It will be seen from the Appendix that during the 2 years (1972-73 and 1973-74) when the Scheme was in Central Sector an amount of Rs. 20.24 crores was released for the scheme against Rs. 30 crores allocated and the total number of proposals approved were 854 and the slum population benefited was 33,64,623.

2.22. During the Fifth Plan, the Central assistance is admissible for that scheme on the pattern of block grants and block loans for various development heads including this scheme and the State Governments are free to incur expenditure according to their priorities and requirements. The draft Fifth Plan contains a provision of Rs. 105.47 crores in the State Sector under the Minimum Needs Programme (i.e. Environmental Improvement in Slum Areas). It has been stated that with this provision it would be possible to cover a population of nearly 6 million slum dwellers. The total approved outlay for this programme in the State Sector and for Union Territories is Rs. 849 lakhs during 1974-75 and Rs. 779 lakhs during 1975-76. It has been stated by Government that after the transfer of the scheme to the State Sector, the states were requested to send to the Ministry of Works and Housing copies of sanctions approving projects under the scheme and quarterly progress reports on the implementation of the projects.

2.23. On the basis of information furnished by some of the State Governments and Union Territories the position regarding coverage

of slum population under the scheme during the years 1974-75 and 1975-76 is given below:—

Sl. No.	Name of State or Union Territory	No. of Slum population benefited during the years 1974-75 and 1975-76
1.	Andhra Pradesh	37,739
2.	Assam	1,000
3.	Bihar	52,000
4.	Gujarat	11,484
5.	Haryana	6,200
6.	Jammu and Kashmir	1,48,500
7.	Kerala	No new projects taken up
8.	Karnataka—	Information not furnished.
9.	Madhya Pradesh	75,587
10.	Maharashtra	5,06,582
11.	Meghalaya	10,217
12.	Orissa	15,754
13.	Rajasthan	75,520
14.	Tamil Nadu	1,38,048
15.	Uttar Pradesh	1,15,276
16.	Delhi	2,92,270
17.	Pondicherry	10,000
	TOTAL	14,96,177

2.24. During evidence, the Committee enquired about the reasons for starting the scheme for environmental improvement in the slum areas in 1972 in the Central Sector when the Slum Clearance/Improvement Scheme had already been transferred to the State Sector in 1969, which included environmental improvement also. The Secretary of the Ministry of Works and Housing clarified the position as under:—

“The main reason for starting the scheme for environmental improvement in the slums in 1972 in the Central Sector

was the emphasis that was laid on the minimum needs programme, That was considered as one of the minimum needs, programme i.e. giving relief to the urban poor. On that basis this was started. There was also an increasing realisation that environmental improvement would go a long way in retaining the net stock of housing. The earlier programme did not put much emphasis on the environmental aspect; it was more on the clearance of slums.”

2.25. About the reasons for transferring this scheme as well as the Scheme for Slum Clearance|Improvement to the State Sector, the Secretary of the Ministry stated that “Government of India during the formulation of the Fourth Plan itself took a decision that all Centrally sponsored schemes irrespective of the Sector to which they belong may be transferred to the State Sector. There was a feeling slightly growing that there is an over-concentration of decision-making at the Centre; more and more initiatives should be left to the State Governments in their implementation etc.”

2.26. The Committee note that the primary object of the Slum Clearance Improvement Scheme was to clear the slums and to re-settle the slum dwellers near their place of work, but as it was found by experience that clearance was very difficult, the Central Scheme for Environmental Improvement in Slum Areas was introduced with effect from 1-4-72. They further note that during 1972-73 and 1973-74 when the Scheme was in the Central Sector, Government had provided cent per cent assistance to State Governments for effecting environmental improvement of slums in 20 cities and that an amount of Rs. 20.24 crores was released against Rs. 30 crores allocated.

2.27. The Committee regret to note that the implementation of the Scheme has suffered retardation during the two years (1974-75 and 1975-76) after its transfer to the State Sector from 1-4-74 in as-much-as the total population benefited from the Scheme has declined from 33.65 lakhs during 1972-73 and 1973-74 to 14.96 lakhs during 1974-75 and 1975-76. It is therefore doubtful whether the anticipated coverage of 6 million people under this scheme during the Fifth Plan period will be realised. While the Committee appreciate that the Central Government have no direct control over the execution of the scheme after its transfer to the State sector, the Committee would like to stress that in the overall national interest the matter should not be left entirely to the discretion of the State Governments, particularly when the scheme had been sponsored by the Government of India for a specific object and that object is far from fulfilment. The Committee would, therefore, like the Government to go into the

reasons which retarded the progress of the scheme and persuade the State Governments to take up remedial measures so as to make up the deficiency in the remaining years of the Fifth Plan.

2.28. The Committee note that the scheme for Environmental Improvement in Slum Areas was initially introduced in 11 cities with a population of not less than 8 lakhs but later on it was extended to 9 more cities on the basis of one city in each of the remaining States, thereby making a total of 20 cities. The Committee see no reason as to why the scheme which was intended to improve the environmental conditions in the slum areas has been extended to all the States without reference to the magnitude of the slum problem. Since there is constraint of resources, the Committee need hardly point out that funds from the Centre under such schemes should be made available in respect of such cities where the problem of slums is acute so that the worst slum areas can be improved first and made livable.

C. Up-grading of Slum Areas

2.29. A study by World Bank on Housing has recommended up-grading of squatter area. It states:—

“Lending for squatter housing up-grading to complement the sites and services approach was adopted with the Calcutta housing and area development project.

In squatter area up-grading, the objective is to avoid, as far as possible, the dislocation of residents when roads and public facilities are introduced. In most urban fringe areas and in the low-density squatter settlements of most African cities this objective can usually be achieved. However, most central city slums and squatter areas of long standing are densely populated. It is usually not possible in these areas to introduce services, particularly water supply and sewage disposal, without removing a few structures. Even when removal is kept to a minimum, some families may have to be re-housed. In such cases, effective area up-grading may require some multi-storey construction—such as three to five-storey walk-up tenements—on the same site atleast to maintain the existing density and avoid costly relocations to distant sites.”

2.30. In a paper submitted at the National Seminar held on slums in June, 1975 at Madras, it has been stated:—

“In areas selected for up-grading, owners should be encouraged to improve their properties and where necessary loans

should be made available. The main reason for the deplorable conditions in many unplanned areas is the lack of infrastructure and it is, therefore, suggested to construct basic infrastructure such as sanitation, roads, water and electricity supply. Before the upgrading is started any vacant land must be equipped for public facilities such as schools, market dispensaries, police stations, green areas etc. The type and standard of infrastructure will depend on local conditions. It is recommended to carry out a staged development both in order to 'stretch' the available funds and in order to keep the investment at a reasonable level in relation to the earnings of the inhabitants at any time. As a consequence of the staged upgrading, the value of the plots will increase and the proper building will little by little be replaced by better building. The World Bank has started giving active support to low cost upgrading projects for instance in Tanzania.

2.31. It is noticed that some of the programmes of the Calcutta Metropolitan Developmental Authority for the integrated development of the Calcutta Metropolitan Area were also supported by World Bank, IDA assistance.

D. Rehabilitation of Sub-Standard Buildings

2.32. It has been stated in the report of the Selected Buildings Projects Team on Slums that to ensure maintenance of all the types of buildings in a city in good condition some American cities have introduced a 'Housing code' under which the onus of maintaining a house in good condition is thrown both on the occupant as well as the owner. The main object of the Housing Code is to prevent further deterioration of the existing buildings due to neglect in maintenance and executing repairs at the proper time. Such a code is only applicable to the existing buildings."

2.33. It has further been stated in the report by the Team:—

"Another important observation which we want to make is in respect of fines levied by the Courts on the violation of building bye-laws under certain sections of the Municipal Acts. Experience has shown that the courts inflict, very small fines, one direct result of which is that the house owner prefers to pay the fine rather than spend large amounts on repairs. In English and American cities, the defaulter is also liable to be imprisoned in addition to the

payment of fine and the fines prescribed for certain types of violations are heavy. This acts as a check on the house owner and makes him carry out the work included in the requisitions promptly. It is suggested that similar procedure may be incorporated in the bye-laws of the various municipalities in this country."

2.34. During their visit to Bombay, the Study Group of the Committee were informed that the Maharashtra Government has enacted Bombay Building Repairs and Reconstruction Act (1969) which provides for undertaking maintenance of the old buildings by the State Government. Since 1969, the responsibility for repairs has been taken by the State Government. The main objects of the Act are:— (i) to carry out structural repairs to dangerous buildings which are likely to fall imminently, (ii) to reconstruct dilapidated buildings which are beyond economical repairs and (iii) to provide for rehousing of occupiers who, because of such repairs or reconstruction or collapse of buildings, are dishoused either temporarily or permanently.

2.35. Only the houses which are used for residential purpose and occupied by tenants and are not owned by Co-operative Housing Societies or by Government or Public bodies are taken for repairs. The Act provides that if the cost of repairs exceeds Rs. 120 per sq.mt. and the tenants are willing to pay the excess the building can be repaired. The Board which is set up under the Act takes up such buildings also for repairs. The occupants are also encouraged to repair the buildings themselves by obtaining no objection certificates from the Board at the cost of the Board. The Board also considers the possibilities of taking up the buildings for reconstruction after they are declared to be beyond repairs. Under such circumstances, the Act provides for compensation to the extent of 100 times the net average monthly rent received by the landlords for the preceding five years.

The Board as on 31-12-75 has taken repairs as under:—

Buildings taken up on the priority list	738
Buildings taken up for repairs by the Board.	3993
Repairs by tenants	693
No. of works completed	2524
No. of works in progress	2162

2.36. It appears that a considerable proportion of the houses in many un-planned areas may be of good or of reasonable standard. The main reason for the deplorable condition in such areas is the lack of basic infrastructure facilities such as sanitation, roads, water, sewerage, electricity etc. The Committee feel that such areas may be selected for upgrading by undertaking better planning and by providing latrines, water supply, drainage, paved streets and widening of the roads etc. Before upgrading is started, it is imperative to undertake proper planning and where necessary acquire land in nearby areas for providing facilities like schools, markets, dispensaries, police station, green areas etc. The owner could also be encouraged to provide basic facilities in their houses while the local authorities may provide water supply, public latrines, drainage facilities and improve in general the layout of roads, streets, pathways etc.

The Committee note that World Bank has extended financial assistance for low cost upgrading projects in a number of countries, and also supported the schemes for integrated development of Calcutta area. The Committee have no doubt that in the light of experience gained at Calcutta, Government may like to seek World Bank help for this purpose in a larger measure.

2.37. The Committee need hardly point out that the problem of slum conditions in big old cities can be greatly reduced if close and timely attention is given to the repair and maintenance of old buildings so that they are not allowed to be reduced to shambles. The Committee learn that in some American cities 'House Code' has been introduced under which the onus of maintaining a house in good condition is thrown both on the occupant as well as the owner. The Committee are also informed that the Maharashtra Government have enacted "Bombay Building Repairs and Reconstruction Board Act", which under certain conditions provides for undertaking maintenance of old buildings by the State Government. Measures like 'Housing Code' in American cities and Bombay Building Repairs and Reconstruction Board Act may not only prove useful in prevention of slum conditions but may also help in maintaining the existing old buildings in a good state of repair. The Committee would like Government to study the provisions of these measures and bring the beneficial aspects to the notice of the State Governments for appropriate action.

E. Sites and Services Scheme

2.38. Provision of Sites and Services for housing the Weaker sections is an important part of the Scheme known as 'Sites and

Services Scheme'. About sites and Services projects the World Bank's sector paper on Housing states:—

“Assistance for the first sites and services project was approved by the Bank in June, 1972. So far, 10 urban development projects involving sites and services and other housing components have been approved for Senegal, Nicaraguan, India, Botswana, Jamaica, Tanzania, Zambia, Indonesia, El-Salvador and the Republic of Korea. The variety of situations faced in the course of project design has made a broad range of responses appropriate. The diversity of the projects undertaken has also contributed to a rapid evolution of the character of lending and highlighted the principal issues which the Bank Group will face in undertaking future projects in this field.

In sites and services projects, land plots are levelled and furnished with access roads, drainage, water, sewerage and electricity. Schools and health clinics have been provided in all projects; some also include refuse collection, fire protection services and other public facilities. Particular attention has been paid to locating projects within reach of major markets and jobs. An effort has also been made to provide job opportunities within the project area. In the Nicaraguan, Jamaican and El Salvador projects, provision has been made for small industries on the project site to assist in employment creation and in these and to Botswana project land has been provided for industrial development.”

2.39. In the Slum Clearance and Improvement Scheme there is a form of rehousing called the Open Developed Plot Scheme. The Working Group on Slums, 1972 has stated that this form of rehousing has not been very widely implemented except in its initial stages in Madras from where it has been reported that 8,000 plots were laid out and necessary assistance in the form of thatched material etc. given to the slum dwellers. The scheme has also been implemented in Delhi on a large scale but in a modified form called the Jhuggi Jhonpri Resttlement Scheme.

2.40. The Committee for Slum Clearance/Improvement etc. (1975) has stated:—

“Keeping in view the constraint of resources in the public sector for providing housing to weaker sections of population,

the Committee feels that it would not be possible to restrict the adoption of open developed plots only to small and medium sized cities as at present. The Committee feels that approach to the problem of housing the poor in cities, big or small, can only be through provision of sites and services and increasing construction of house according to the ability of the population through self-help and mutual help measures. Hence the present approach has to be modified."

2.41. Asked about the Action Taken on the recommendation of the Committee, the Secretary of Ministry of Works and Housing stated during evidence 'This is a 1975 Committee. As yet we have not really been able to finalise the Government's own decision. We are still having discussions with the Planning Commission and Finance Ministry. As soon as that is done, we would be able to implement these through the State Governments'.

2.42. Asked about the terms and conditions under which assistance for Sites and Services Schemes is available from World Bank, the representative of H.U.D.C.O. stated during evidence:—

"We are still negotiating with the World Bank on this. The terms and conditions have not yet been finalised. What we are trying to get is a line of credit from the Bank which will allow us to finance individual projects. The Bank does not go into individual projects. They will give us credit which will allow us to finance individual projects all over the country. The Bank mission is still to come, they were expected this month, probably they will come next month."

2.43. The Committee understand that the policy of providing sites of limited area to squatters and others is being adopted as it is not possible at present to provide houses for such large numbers. The Committee need hardly point out that these areas which may seem to be distant at present may become in due course nucleus of cities and townships. It is, therefore, imperative that from the very beginning the land sites are provided in a planned manner with the necessary infrastructure and basic amenities to take care of future developments. Care should be taken to see that all important vocations and supporting services are represented in these areas in order to lay the foundations of a self-sustaining community right from the beginning.

2.44. The Committee would further suggest that the squatters and others may be provided guidance and assistance so as to put up shelters which are least expensive but have necessary utility value. In this context, the Committee commend the idea of modular construction with the attendant facilities. Standardised fittings may be made available at rates within the reach of the people affected.

2.45. It may also be advisable to prepare plans for group housing which could be built with the participation and cooperation of these persons in the years to come, to meet the rising standards and to overcome the problem of scarcity of land. The Committee need hardly point out that suitable provisions to take care of these possible developments in the future should be built into the terms and conditions on which land sites are given.

2.46. The Committee would like to point out that the major tasks before the authorities in the upgraded slums and 'Sites and Services' projects etc., would be to maintain efficiently the common Services like latrines, water taps, pathways etc., in good working condition. In this connection, it may be pertinent to point out that the Committee during their visit to Calcutta Slum Bustees found instances where the common latrines were clogged. It is, therefore, imperative that arrangements should be made for the maintenance of these common services which tend to be neglected after the first flush of enthusiasm is over, causing wide-spread nuisance and squalor in the area and making the hygienic conditions deplorable which pose a positive health hazard to inhabitants.

2.47. In this connection, the Committee would also like to point out that the Maharashtra Government has appointed a Controller of Slums for Bombay who is responsible for collection of revenues and maintenance charges from slum dwellers. Under the Slum Clearance and Improvement Scheme, each slum dweller is required to pay Rs. 10/- for the site and Rs. 9/- for maintenance services which are paid to the Corporation, plus Re. 1/- for administrative charges. A separate fund for slum clearance and improvement is proposed to be created out of the realisation of Rs. 10/- per hut. The Committee would like the Government to examine how it has worked and consider bringing its useful features to the notice of the State Governments for appropriate action.

2.48. The Committee consider that it is but fair that the beneficiaries of conservancy services should bear atleast a part of the expenditure for the maintenance of these facilities which have been

built at great costs for their benefit and which would improve their surroundings. The Committee need hardly emphasise that ways and means must be found for the involvement and participation of the dwellers themselves in managing the maintenance of these services. It should not be difficult to persuade the dwellers to realise the benefits accruing from better maintenance and upkeep of these services.

2.40. The Committee have no doubt that if the maintenance of the common services provided in the upgraded areas and the new Sites and Services projects are neglected, these areas will again degenerate into slums. The Committee would, therefore, like to emphasise that the provision and maintenance of these services is very essential for which resources have to be found by the Centre and the State Governments. As already stated the slum dwellers may be required to contribute for the maintenance of these services after they have been provided by Government.

2.50. During their visit to Bombay the Committee were informed of the various enactments such as (i) Maharashtra Vacant Lands (Prohibition of Unauthorised Occupation and Summary Eviction) Act; (ii) Maharashtra Slum Areas Act; (iii) Maharashtra Slum Improvement Board Act; (iv) Bombay Building Repairs and Reconstruction Act, under which schemes for slum improvement, Slum Clearance are being implemented by the Maharashtra Government in Bombay. Apart from improving the existing slum areas, the Maharashtra Government is also encouraging the slum dwellers to construct their own houses at cheap rates. The Committee would like Government to study all these schemes and bring their positive contents and beneficial features to the notice of all State Governments for appropriate action.

F. Slum Prevention

2.51. For the prevention of slums, it is necessary to go into the causes of slums. As there is close relationship between the cause and effect in slums, both must be simultaneously tackled.

2.52. In a memorandum submitted by a non-official to the Committee, the causes for slums formation have been mentioned as under:—

“Slums in some magnitude or the other did exist in our country before the process of urbanisation accelerated. But the slum grew in alarming proportions when job opportunities were created in urban areas. Extensive industria-

lisation, concentration of industries and commerce in already developed urban centres added to the plight. All this has a negative effect, on rural areas. Agriculture did not get the encouragement that it deserved. The rural economy was thus in shambles. The irrigation and rural welfare schemes such as health education were neglected. This brought about a socio-economic squeeze of the rural community. In addition drought conditions or flood situations occurring every year in the interior also brought about disaster to people. They had no other alternative but to turn towards softer options. The rural community started slowly moving towards cities which either provided them with newly created jobs or they became the parasites. Prohibition, gambling, smuggling, pick-pocketing, begging and even prostitution provided them with the livelihood. In the normal situation nearly 300 families migrate to Bombay every day from all over the country."

2.53. As to the steps taken to prevent the proliferation of slums in future, the Ministry of Works and Housing in a written note submitted to the Committee have stated that "the problem of slums is an offshoot of the larger problem of shortage of housing units. Unless therefore, concrete measures are taken to increase the building stock in the country, the problem of slums cannot be tackled effectively. This is all the more necessary in the low and middle income groups. Where substantial progress has been achieved in slum clearance work this achievement itself tends to encourage further indiscriminate squatting. This tendency has to be curbed, if need be by more effective legislative powers. A conscious policy, which seeks to distribute the urban activities in a region as a whole, would go a long way in offering adequate alternatives to the people who migrate to the cities. Simultaneously, a restructuring of the urban manufacturing industry to become more and more labour intensive to absorb both the migrant and residual unemployed is also necessary; this may prevent tertiary and service sectors to be characterised by increasing under and unemployed residing in the slum and semi-slum habitats.

Thus, the solution to the problem of slums need not be found within the city itself but has to be found outside also. In this context, a policy of active support to rural growth and service centres and planned dispersal of industries away from congested urban

areas would help in finding effective solutions to the problem of the urban poor. Almost all the State Governments have already started tackling these problems in a regional frame and have taken steps to establish statellite towns to relieve the population pressure in the metropolitan cities.”

(I) *Influx from Rural areas*

2.54. An important component of urban growth has been in the migration of population from the rural areas. The city surveys conducted by Research Programmes Committee of the Planning Commission and the N.S.S. surveys on Internal Migration reveal that migration in Indian cities constituted about 30 to 60 per cent of their population taking the residence period of 20 years. Cities with a population of less than 300,000 have a migrant population of 30 to 40 per cent whereas the component of migration in cities of one million and above is over 50 per cent. There has been a general upward trend (as will be seen from the Table given below) though this received momentum only after 1931.

Rural Urban Net Migration by Decade

Decade	Volume of net migra- tion (Rural- Urban)
	(in millions)
1911—1921	0.3
1921—31	1.9
1931—41	5.6
1941—51	8.6
1951—61	8.6
1961—71	11.6

2.55. Migration to towns and cities has contributed very substantially to a more rapid growth of urban population. In big cities like Calcutta, Bombay, Madras, Delhi, Hyderabad, Ahmedabad, Bangalore, Kanpur, Poona which had stronger pull, the proportion of migrant population has been larger. The percentage of migrants to total population in 1961 was 64.2 in Bombay, 59.9 in Delhi, 52.7 in Calcutta and 50.8 in Ahmedabad.

256. With regard to migration of population, the Secretary of the Ministry of Works and Housing stated during the evidence:—

“Our population grows phenomenally. Constant stream of urbanisation takes places, 600 more people come to Bombay city daily, in search of employment or better means of living etc. This is in addition to number of persons born daily in Bombay city and if you work out the total it would come to astronomical figures. No authority can provide housing for 600 more people per day like this. Congestion takes place. Regarding national policy in the near future we will come out with National Urbanisation Policy Resolution. We will indicate the dimensions of thought and directions in which we desire to make progress in the coming years. The Central Government is fully alive to the situation. What should be done is not to see how to control the disease but how can the Government control the cause, how can urbanisation be slowed down etc. This is the kind of thinking which my Ministry will have to do from now on and we are not looking at 1978 or 1979 but we are looking at 2000 AD or 2500 AD. We have to take an overall view and knit all these problems together and arrive at solutions and we have to look at the cause rather than the effect.”

(ii) *Over-crowding*

257. Describing the contributory factors for over-crowding in the country, the Secretary of the Ministry of Works and Housing added that the problem of over-crowding, slums etc. was taking place because of population growth in the country at the rate of 14 million people every year. In that situation, any programme that the Central Government evolved, would be considered as far too inadequate to tackle the problem. He further stated that agriculture was India's main avocation; 70 to 80 per cent of the people were involved in agriculture. The method of agriculture became more and more modernised. As the rural transformation was taking place less and less people were required to work on agriculture and more and more people were getting released to go out of agriculture and they ventured into new activities, activities which were located today in the urbanised agglomeration. As a consequence, the movement was first taking place from the rural areas to the urban areas. This was happening in any State of India and in any town of India.

2.58. In reply to the suggestion that greater decentralisation could be the real answer to the problem, the Secretary of the Ministry elaborated:—

“This is a true appreciation of the whole situation. In the Government activity we have a multi-pronged approach to the whole problem. In evolving the public sector enterprises we have consciously and deliberately moved away from the centres of growth. For instance, as recently as last year, we have located a project entirely away from all developed areas, in Jhansi, a transformer factory of the Bharat Heavy Electricals. There was a big controversy whether it should be located in Hyderabad or Bhopal. Bhopal was backward before, but now it is sufficiently developed industrially. So, we took a major deliberate decision that it must be moved to a backward area, and Jhansi was chosen. Similarly, a defence factory was taken to Bhandara. This is one aspect of the multipronged drive. Then, under the recent urban land ceiling legislation, we have deliberately divided cities into different categories in order that a man who wants to have more vacant land can be forced to move away from the major cities. From now on, nobody shall build a house of more than 300 sq. metres in the metropolitan towns. Therefore, it is a multi-pronged endeavour. By various kinds of methods we will try to de-urbanise, to develop other areas. We are not concentrating our attention only on de-congesting slum areas but also in providing opportunities and attractions in other parts of the country, in order that people may be drawn there.”

(iii) *Balanced growth*

2.59. About the overall development of the region, the representative of the Ministry, stated during evidence:—

“If we have to tackle the problem of slums we must provide balanced growth in other parts of the region. In other words, there should be an overall regional development concept, and that is why increasing attention is being paid to other aspects of the region. This is, of course, not actually caused by the budget of the Works and Housing Ministry, because there are items like minor irrigation and rural electrification etc. where also a certain element of expenditure is being incurred already. We are watching the situation how the various State Governments are

developing what are called sub-regional plans. An example of this would be our National Capital Regional Development. We are developing not merely Delhi, as we know today, but the entire capital regional area, which has been broadly defined. The developments here are taking place in such a way as to ensure that not merely do we tackle this problem of slum clearance in the heart of the city but we may also provide corresponding development in the surrounding regional belts."

(iv) *Dispersal of Industries*

2.60. One of the remedies for slum prevention is the dispersal of population by removal of industries from over-crowded cities. The need for dispersal both of industries and population from the more congested centres has been recognised long since. It has been accepted as a basic assumption in the development plans but no concrete steps appear to have been taken to implement it. On the contrary, there is a tendency to permit the establishment of new industries in the already over-crowded and congested parts of cities even without any regard as to whether adequate provision exists there for water supply, electricity, drainage and other facilities.

(v) *Provision of houses by Industries*

2.61. Asked whether Government had issued any guidelines/instructions to State Governments for making it obligatory on the part of big private industries to build houses for their employees, the Ministry of Works and Housing in a written note submitted to the Committee have stated:—

"The possibility of enforcing some sort of legislative compulsion on big industrial concerns for providing residential houses to their employees has been considered on more than one occasion.

In this connection, it may be mentioned that the Conference of Ministers of Housing, Urban Development and Town Planning held at Bangalore, in June, 1969, recommended as follows:—

'Since the employers have not been coming forward to build houses in adequate number for their workers, the possibility of enforcing legislative compulsion has to be explored. Since, however, the matter is already engaging the attention of the National Commission on Labour, it

would be desirable to await their recommendations before proceeding further in the matter.'

The National Commission on Labour (1969), appointed by the erstwhile Ministry of Labour and Rehabilitation (Department of Labour and Employment), which had examined this aspect, recommended, *inter alia*, in its report, that it might not be worth-while to resort to legal compulsion in the matter of housing beyond what existed then. In arriving at this conclusion, the Commission took into consideration the impact which such a legal compulsion would have on capital formation, industrial development, employment situation etc. The Government of India, in the Ministry of Labour accepted the recommendation of the Commission. Consequently, the decision of the Government of India was communicated to all the State Governments and Union Territory Administrations.

The issue was again discussed by a High Level Committee of Ministers appointed during 1974, to consider certain matters relating to the various social housing schemes. The Committee *inter alia* made the following recommendations:—

- (i) Every big industrial concern should build houses for its eligible industrial workers after five years of its establishment and provide residential accommodation to all the eligible industrial workers in a phased programme spread over a period of 10 years. The Industrial Development Regulations Act and Rules thereunder should be amended, if need be, to incorporate a provision to this effect and it should be made a condition of licence. The expenditure incurred on the construction of houses should be treated as expenditure on the establishment of the industry and exempted from taxes.
- (ii) Even big industrial concerns which had been in existence for not less than 5 years should provide residential accommodation to its eligible industrial workers right from now and complete the programme in a phased manner within a period of 10 years subject to the condition mentioned above.

The above recommendations were referred to the Ministry of Labour for advice. That Ministry is not in favour of these recommendations. In the circumstances it is not considered desirable to make it obligatory for big industrial concerns to build houses for their employees."

2.62. The Committee consider that the migration of rural population to urban areas is one of the prime factors responsible for the mushrooming of uncontrolled settlements on the urban fringe. The Committee feel that to avoid this type of rapid growth in urban population and to reduce the widening gap between urban and rural areas, a careful and methodical planning for human settlements, including measures to disperse population with adequate housing, employment opportunities, health and education facilities etc. will have to be carried out systematically in rural areas. The Committee are of the view that Gandhiji's idea of India living in villages and making villages self-sufficient and self-reliant to the extent possible is more relevant today than at any other time. Thus Committee feel that resources could be more profitably utilised in rural areas and small towns to arrest the drift of population to the metropolitan cities.

2.63. One of the remedies for slum prevention is the dispersal of industries from over-crowded cities to new growth centres or to backward areas. The need for dispersal both of the industries and population from the more congested centres has been recognised long ago, but the Committee regret to note that no concerted measures have been taken in this respect so far.

2.64. The Committee understand that such growth centres and satellite towns have been developed with considerable measure of success in some countries like U.K., U.S.A., and Italy. It has, however, to be ensured that the growth centres/satellite towns are self-sufficient with respect to means of livelihood, residential accommodation, community development and utility services. The Committee have dealt with this subject separately in the Chapter on 'Urbanisation'.

2.65. The Committee need hardly point out that only those industries should be allowed in metropolitan and other big towns which are permitted under the Master Plans and concerted action should be taken to shift the others away from the congested areas. Obnoxious industries may not be allowed in the centre of the city as these constitute hazards to health.

2.66. Another important reason for the congestion in big and metropolitan cities and the consequential generation of slum condi-

tions is that in spite of the acceptance by Government of the policy of dispersal of industries and offices from these saturated centres, new offices, Government as well as private, new industries and undertakings as also new educational institutions and hospitals are being opened in these big metropolitan areas which provide avenues of employment and tend to attract people from smaller cities, towns and rural areas to these urban conglomerations. As housing and other infra-structure facilities are not available to the new migrants, it is obvious that further slum conditions are created in these places. The Committee consider that unless positive and concerted action is taken by Government to deflect industries, Government and other offices as also large educational institutions from these metropolitan towns, it may not be possible to arrest the migration of population to these over-saturated centres and disperse the population to the smaller cities, towns, and new growth centres. The Committee would, therefore, like Government to give a lead in this matter to implement in letter and spirit the policy of dispersal of offices and industries etc., to the new growth centres to avoid slum conditions in big cities.

2.67. The Committee note that the question of provision of housing by industrial concerns to its employees has been discussed in the past at several levels and the latest recommendations of the High Level Committee of Ministers appointed during 1974 is that "Every big industrial concern should build houses for its eligible industrial workers after five years of establishment and provide residential accommodation to all the eligible industrial workers in a phased programme spread over a period of 10 years." The Committee note that as the Ministry of Labour has not favoured this recommendation, it is not considered desirable by Government to make it obligatory for big industrial concerns to build houses for their employees. The Committee have not been informed of the detailed reasons which weighed with the Ministry of Labour to reject the recommendation of the High Level Committee of Ministers. The Committee are, however, inclined to think that industrial unit set up in the metropolitan and other big cities have some obligation to pay for the social benefits which they draw upon.

As all costs are at present passed on to Government and the community has ultimately to pay for it, it is desirable that the industrialists should also bear their due share of the costs by providing housing to a prescribed minimum percentage of their employees, particularly to those belonging to low income groups. In the opinion.

of the Committee the employer should not grudge the provision of this facility to the workers as the latter are the backbone of any industrial unit.

G. Squatting

(i) Prevention of Squatting

2.68. The Working Group on Slums (1972) has outlined the following measures for prevention of new slum growth:—

“While some amount of slum growth is an inevitable part of the process of urbanisation in cities of developing countries, it should be ensured that where substantial programmes to deal with slums are undertaken, it does not encourage migrants or further indiscriminate squatting by such elements. There is a tendency to view squatter settlement in human terms and to discourage any strong action in removing them. While these sentiments are laudable, the ultimate losses are to the community as a whole since indiscriminate squatting preempts the option upon a community for the optimum use of urban land. Where necessary, more effective legislative powers should be assumed which make squatting on Government or public lands as a cognizable offence punishable with fine as well as imprisonment and speedy action taken to evict and remove these squatters at the best to the reception centres on the outskirts where minimum facilities like drinking water supply and community latrines are provided. Necessary understanding should be created amongst the slum dwellers in a particular area that they would take the responsibility to see that they prevent additional population infiltrating into their area. The system of issuing photographed passports to bonafide residents as introduced in Madras may be useful in this respect.

Whilst it is recognised that migration into towns cannot be prevented as such, it should be possible to offer alternatives to the migrants through a policy that seeks to distribute urban activities in a region as a whole and also extend the kind of services like water supply, sanitation, schools and other facilities to the rural areas. At least a part of the solution to the city has to be found outside. A policy of steady support to rural growth|service centres and a better distribution of urbanisation is a prerequisite for any effective solution to the problem of the urban poor.”

2.69. Asked about the action taken to stop indiscriminate squatting, the Vice-Chairman of Delhi Development Authority explained the position during the evidence, with particular reference to Delhi, as follows:—

“I do not think anybody can claim that squatting can be stopped and the only thing is that it could be really minimised if firm action is taken and if a definite policy is evolved. I personally feel that there is a dilemma in which if you become very firm with the squatters—take Madras city, there they insist on photographs and other things—but the man who comes and squats in the area where you have resettled other people, then the only way of stopping him is to take some police or administrative action and throw him out. Then the question of human consideration arises. The basic issue is that whenever anybody is thrown out, human considerations will always come in. If, on the other hand, you provide amenities in the squatter re-settlement areas and if similar facilities do not exist in other squatter areas, there is naturally a tendency to flock to that area. So the more the amenities you provide, the more the squatters you really attract but if you do not provide any amenity or you try to lessen it, you create human problems. This is actually the dilemma with which any authority is faced. Within this limitation the approach is that you have proper squatter re-settlement colonies, plan them properly, develop plots on a very large and liberal scale and give proper accommodation to as large number of squatters as possible and then be very firm. That is the only way you can stop it.”

2.70. Throwing further light on the aspect, the Secretary of the Ministry of Works and Housing stated during evidence:—

“We have been considering various proposals to empower the prescribed authorities to evict unauthorised occupants on public land. In this connection, I just want to place before the Committee that there is in fact an ordinance issued by the Maharashtra Government—Ordinance No. 18 of 1975—in November, 1975. The object of the ordinance is the number of unauthorised occupants of vacant lands in urban areas in the State is rapidly increasing and is posing a great danger to public health and sanitation etc.”

2.71. Referring to the Ordinance of Maharashtra Government, the Secretary elaborated:—

It provides for summary eviction of persons in unauthorised occupation of vacant lands; courts have been banned—this is a very important point—from entertaining any petition against evictions undertaken under this Ordinance; then it provides a minimum penalty of 6 months imprisonment and fine of Rs. 500/-. The maximum imprisonment is 3 years. So, I think it is fairly drastic.

2.72. The Secretary further added:—

“We are considering a similar Ordinance; at least a proposal to make squatting a cognisable offence. We are considering it for Delhi city because we find it is very difficult to get rid of squatters. But then again we have to look at the human side also. Alternatives must be provided. At the same time, squatting people who could afford not to squat should also be eliminated.”

2.73. After the issue of the Ordinance, the Maharashtra Government has since passed an Act.

(ii) *Central Government Lands*

2.74. When the Committee visited Bombay, it was brought to their notice that while action under the Slums Act could be taken by the Maharashtra Slum Board on the land of the Municipal Corporation as well as the land of the State Government, no action under the law was possible on slum dwellers on Government of India lands which were estimated to contain about 75,000 huts in Bombay alone. When asked during evidence whether Government had any idea of the slum population on Government of India lands in various cities and whether Government had collected any such information from other Ministries such as Railways, Defence, Shipping and Transport, Civil Aviation etc., the Secretary of the Ministry of Works and Housing stated:

“Unfortunately, we have no clear statistics of the extent of land that is under occupation by slums or encroachment or squatting. We have addressed the Central Government heads in the locations as also the State Government authorities to try to give us a picture of what is there on ground. In Delhi at least whatever lands are under the control of

the Ministry of Works and Housing, we have asked the D.D.A. to keep charge and control over them so that unauthorised occupations do not arise and I think the D.D.A. is doing it fairly well."

The Secretary of the Ministry further stated:—

"Even if the land belongs to the Central Government, encroachments on land in a local area can be dealt with only by the State Government authorities; the central authorities have no power and no police. We had a series of meetings with them. As far as possible, the State Government also try to resettle the people. But we must admit that it is a vast problem."

2.75. The Committee feel that the present law in the country is not effective enough to deal with encroachers and squatters. In this connection, the Committee agree with the views of the Working Group on Slums that "There is a tendency to view squatters settlement in human terms and to discourage any strong action in removing them. While these sentiments are laudable, the ultimate losses are to the community as a whole since indiscriminate squatting pre-empt the option upon a community for the optimum use of urban land. Where necessary, more effective legislative powers should be assumed which make squatting on Government or public lands as a cognisable offence punishable with fine as well as imprisonment . . ." The Committee are informed that the Maharashtra Government have recently passed an enactment which provides for summary eviction of persons in unauthorised occupation of vacant lands and courts have been barred from entertaining any petition against evictions undertaken under the Act. The Act also provides for a minimum penalty of 6 months imprisonment and fine of Rs. 500/-, the maximum imprisonment being 3 years. The Committee have been further informed during evidence that similar measures, particularly for Delhi to make squatting an offence are under consideration of Government. The Committee would like the Government to finalise the matter without further delay so that they are not faced with renewed problem of squatters after these have been once cleared.

2.76. The Committee would like to point out that the problem of squatters is intimately linked with the problem of shelter and employment opportunities. It is, therefore, of utmost importance that while taking action to evict the squatters in the big cities it may be ensured that integrated scheme for providing house sites are formulated so that the basic need of shelter for these persons is solved.

The Committee would, therefore, like Government to formulate a well thought out programme of providing house sites and inexpensive building material to resolve the housing problems of squatters and slum dwellers.

2.77. During their visit to Bombay, the Committee were informed that a large area of land on which about 75,000 huts of slum dwellers are located, belonging to various Ministries/Departments of Government of India, is under unauthorised occupation of squatters. They were informed that under the law the State Governments had no power to directly evict them. The Committee are concerned to note that the Ministry of Works and Housing have no information available with them about the extent to which land belonging to Central Government in Metropolitan and other big cities is under unauthorised occupation. The Committee need hardly point out that Government should collect all relevant data from the State Governments and the Ministries/Departments concerned, such as Railways, Industry and Civil Supplies, Defence, Civil Aviation, Shipping and Transport etc. regarding the area of land belonging to the Central Government which is at present under unauthorised occupation in each State and may devise suitable effective measures in consultation with the State Government to clear such land from unauthorised occupants and take concerted measures to see that such encroachments are not allowed to occur in future.

H. Reception Centres

2.78. In a non-official memorandum submitted to the Committee a suggestion has been made that:—

“The Government should build *sarkari dharamshalas* where a room, verandah and common latrines and water could be provided around a central big courtyard like *bada*. Any new visitor to Delhi should be able to obtain this accommodation for short periods. This should be managed by DDA with special worker's and trainees and housing managers. These *Sarkari Dharamshalas* could have cheaper mud-floorings, ordinary walls and AC sheets or other cheap roofing accommodation. It would consist of room 100 sq. ft., kitchen 60 sq. ft. common latrines and bath. Each *Dharamshala* will be built on land about 150'×150'. These *Sarkari Dharamshalas* should be the new task of the J & J Department and it should be managed by trained housing managers, kind of engineer-sociologists. Squatting should be made non-bailable and penal offence and punished with a fine.”

2.79. Commenting on the above suggestion the representative of DDA stated during evidence that:—

“We should know the implications of this suggestion. Once you give some facility just like a *dharamshala* it is a permanent abode. The man who comes there to that *dharamshala* will stay there, unless there is some other alternative type of accommodation. He will definitely stay there and it is not a temporary place for him, it becomes a permanent place for him. This is the point here. Even now in our various schemes we find it extremely difficult to give out 25 sq. yards, with environmental amenities and so on. In addition there is to be water supply, there is to be electricity, there is to be approach roads and so on. That is to say, you are going to put the same thing as in a squatters' colony. Here it means, you also add a permanent structure on that too. Apart from the financial implications involved and the physical lay out involved, the point is this. They will come here and stay and they will depend upon total help of the Government. In our scheme we give small plots where they build their own accommodation and try to settle over there. But in any case, we will examine the proposal to the extent it is feasible and it is practical.”

2.80. It has been suggested to the Committee that Government should build reception centres or 'Sarkari Dharamshalas' where the visitors to the city could stay for short periods by paying reasonable rents. The Committee feel that this suggestion is useful and may be considered for implementation by providing much needed shelter to the casual visitors to the city. Such centres may be of dormitory type. The Community services provided there should be maintained in a clean state. These centres should not however, be allowed to be converted into permanent abodes by strictly enforcing the rules in this behalf. Nutritious food at reasonable rates may be made available also in the Reception Centres. The feasibility of enlisting the help of voluntary and charitable organisations for this purpose, may also be examined.

I. Programmes of community development

2.81. The Advisory Committee on Slum Clearance constituted in 1958 had recommended that urban Community Development Centres and Extension Blocks should be set up for development of slum and depressed neighbourhoods in every urban area so as to develop particular areas in every city and town by developing industries providing

employment to the people who were unemployed, improving roads and sanitation, building houses, so that the slums could be removed as quickly as possible. The Committee desired to know as to what action had been taken on the recommendation of the Advisory Committee. In reply, the Ministry of Works and Housing have stated:—

“It is increasingly being felt that in addition to physical improvement programmes, social development programme for the slum dwellers has also to be organised in an integrated basis. For the Slum Improvement Programme in Calcutta, for example, Urban Community Development Programmes have also been initiated which look after such schemes as adult education, vocational training, basic health facilities etc. There is a separate programme of Urban Community Development for the slum areas under the Department of Social Welfare in collaboration with UNICEF where, in addition to the above items mentioned, Integrated Child Development Programme including prenatal and post-natal mother care are being pursued in major cities of the countries specially in the slum areas.”

2.82. The Conference of State Ministers of Housing and Urban Development held in Madras in May/June, 1974 also recommended that the question of integrated approach to the problem of slum settlement should be examined by a Committee. In pursuance of this and other recommendations, Government of India had set up a “Committee for Slum Clearance|Improvement Scheme and Scheme for Environmental Improvement in Slum Areas” and that Committee in its report submitted in May, 1975 has *inter-alia* made the following recommendations:—

“The Committee recommends that the urban community development programme must be taken up in all areas where slum clearance|Improvement Scheme or the Scheme for Environmental Improvement of Slums has been taken up. This would ensure that population receives a sense of direction towards using and maintaining community facilities already provided and improve its quality of life on a long range basis. The Committee also urges that such a programme should be taken up in all areas where site and services programme is taken up.”

J. Social Education

2.83. In their report the Selected Buildings Projects Team on Slum Clearance (1958) has *inter alia* emphasised social uplift of the mass-

es and training them towards the goal of better living. The Team states:—

“We are fully aware that no amount of new housing schemes for rehabilitating slum dwellers will be successful if proper steps are not taken to give them the necessary social education. Such social education is necessary both for people living in slums as well as for those who have been rehabilitated elsewhere. This can be achieved through well qualified social workers who must live amongst the slum-dwellers and demonstrate by action and propaganda the benefits of sanitary and hygienic living.

Better living does not necessarily mean additional expenditure. Living neatly in a small area is an art, which must be developed by the spread of education. Japan can be cited as an example where in spite of acute shortage of space, the houses are kept extra-ordinarily trim and clean because of the neat habits of the people. It may be worthwhile for the Government to start an Institution for training social workers.”

2.84. Asked about the steps taken by Government for ensuring that the benefits derived from slum clearance/improvement schemes are not allowed to be fittered away by apathy, negligence and insanitary habits of the residents the Secretary of Ministry of Works and Housing stated during evidence:—

“Usually, the local bodies are responsible for the maintenance of these services such as water supply and sewerage. The nature of improvement works undertaken in slum areas would instil a better sense of cleanliness and civic sense among the slum dwellers and we hope and expect that they would also ensure that the standard of cleanliness does not deteriorate. There is no specific organisation as such other than the local bodies who are themselves required to look after the maintenance of these works. Voluntary organisations can only provide a helping hand because the main responsibility, no doubt, is theirs to ensure that this standard of cleanliness etc. is maintained.

2.85. In this connection the Vice-Chairman, Delhi Development Authority elaborated the position as under:—

“I think there are three steps that have been taken by the DDA in this regard. One is that there are a number of social welfare organisations. But our experience is that unless they channelise all their energies, they will not be able to do any fruitful work in these colonies. Now, we try subject to the availability of funds, to appoint in each of these colonies Social Welfare Officers. Their main duty is to channelise the energies of the social welfare organisations who are interested in doing the work and they do the work to some extent themselves. For instance, some of the war widows were employed with the DDA in these colonies as Social Welfare Officers, and the idea was that they should, apart from getting themselves settled in life, help the ladies to form certain organisations to keep these colonies clean to see that children go to the schools and so on. The DDA has set up certain adult literacy centres so that ladies can take advantage of these centres. The duty of these Social Welfare Officers was to see that their energies should not be wasted at cross-purposes but each one of them should have take up a special job.

The second aspect was to set up adult literary centres and community centres. In the community centres, the idea is to provide indoor games, library facilities, television facilities, family planning centre and dispensary and so on. In doing so, the idea is to instil a habit of cleanliness and also to make them feel that they should improve their environment. If the children are gainfully employed in the libraries, then they do not cultivate bad habits. We are also requesting the television authority to see that certain programmes are directed towards this so that the people should know how to keep their houses clean.

The third effort which we make is that we keep our own Sanitary Officers to deal with that. The local staff try to distribute certain pamphlets and also try to go to some local leaders and tell them to take charge of their respective *mohallas*. In some places, these types of experiences are helpful because there are some people who are genuinely interested in doing some work. In some places, our experience is not very happy. There are certain people who are more interested in the critical field rather

2.92. The Committee further suggest that the active assistance of the State Industries Institutes and States Small Industries Associations may also be sought in carrying out mini-techno-economic surveys for each group of slums so as to identify the potential entrepreneurs for setting up small scale and cottage industries to provide employment and means of livelihood to the people. It is important that emphasis should be laid on introducing self-employment schemes in such areas. In this connection, the Committee need hardly stress that the best method of improving of slums areas is to bring about meaningful improvement in the economic conditions of the slum dwellers and it is here that the banks etc. can play a leading role.

CHAPTER III

HOUSING

A. Magnitude of Housing Shortage

India is to-day the second most populated country in the World with an estimated population of 58.6 million. By 2000 A.D. its population is expected to reach about 945 million. Urban population in India has grown considerably in recent decades. It increased from 34 millions in 1931 to 110 millions in 1971, which works out to about 2-1/2 million per annum. In 1974, urban population is estimated at about 120 million which is expected to reach over 278 million by 2001 A.D. on a conservative estimate of the rate of growth of urban population.

3.2. India's rural population according to 1971 census was 438.58 millions or 80 per cent of the total population which was 547.95 million. During the inter-Census periods of 1951—61 and 1961—71 the growth rate of rural population was about 21 per cent each decade.

3.3. To provide houses to such a vast population is a colossal task. But since it is one of the basic needs of human beings, next in importance only to food, it deserves to be given appropriate priority in planned development.

3.4. According to an assessment made by the National Building Organisation, as mentioned in the draft Fifth Plan, on the basis of figures of housing stock as in 1961, and projections for the subsequent period, it is estimated that the current housing shortage in the urban areas would be of the order of 6.2 million houses. This figure is inclusive of 3.1 million serviceable kucha houses. However, even excluding the number of serviceable kucha houses, the shortage will be of the order of 3.1 millions. In computing requirements, account must also be taken of the increase in the urban population which is likely to be of the order of nearly 20 to 25 million, during 1974—79 and would necessitate a provision of a minimum number of 4 million houses. Allowing for deterioration in the existing housing stock of 21 millions at the rate of 1 per cent per year,

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another million houses will be necessary to replace the deteriorated stock. The highest incidence of shortage of urban housing as also of future requirements will be in low income categories. Judging from past experience, the contribution of the private sector to the housing stock used by these categories is not likely to be significant.

3.5. The position in respect of rural housing is even worse. The number of rural households at the beginning of the Fifth Plan is estimated at 90 millions. Of these, about 72 million households may be taken to be living in pucca, semi-pucca or serviceable kutcha houses. The balance of 18 million households are living in bad dilapidated and improvised structures which would require replacement. Another 1.8 million houses a year would be required to meet the anticipated increase in population. The housing conditions of the landless agricultural labourers are particularly bad and it is estimated that at least 12 million landless labourers do not even own their own house sites.

3.6. It has been stated by Government that on the basis of the 1971 census and making allowance for the increase in households due to natural growth of population and net addition to housing stock during 1971—74, the housing shortage on the eve of 5th Plan was estimated at 15.6 million units—3.8 in the urban areas and 11.8 in the rural areas. It is estimated that the housing shortage would increase from 15.6 million in April, 1974 to 65.6 million in 2001 A.D. The estimated rate of housing construction is around two dwellings per 1000 population per annum.

3.7. The low rate of house construction in the country is due to several reasons. The first and the foremost is the financial inability of a large number of families to muster enough funds from their own resources for building even a modest house. These families are, therefore, badly in need of help in the matter of their shelter either by the richer sections of the society or by the State itself. The affluent sections of the society invest their capital in the construction of comparatively more expensive and luxury houses and these too in the metropolitan and major cities where returns in the shape of rent are very much attractive. These sections are not interested in building houses for the weaker sections of the society like industrial/plantation workers, slum dwellers etc., as the rental returns from them are not commensurate with the investment which they make on land and building—particularly in the larger towns. Obviously, the entire responsibility for providing houses for the weaker

sections of the society falls on the Government. Due to the paucity of overall resources and higher priority accorded for other important sectors such as irrigation, power, etc. it has not been possible for the Government to make allocations of funds of a magnitude which could make a sizeable dent on the problem of housing in the country.

3.8. The Draft Fifth Plan points out that the available data as regards the shortage of housing in the urban and rural sectors is "unreliable and unsatisfactory". In the light of these remarks the Ministry of Works & Housing were asked whether it was possible to formulate effective, short term and long term plans, for dealing with the housing problems. In reply, the Ministry have stated "It is correct that in the absence of reliable and satisfactory data regarding housing shortage, it is not possible to formulate short and long term plans for dealing with the housing problem."

3.9. Asked how Government proposed to solve the housing shortage, the Ministry of Works and Housing have stated that "the problem of housing is of a colossal order and in view of the constraint on resources and the competing demands of other priority sectors, it is not possible to lay down any time limit for solving this problem. The draft Fifth Plan also addresses itself only to some specified objectives."

3.10. The Estimates Committee while referring to acute housing shortage in the country had recommended in their 37th Report (1972-73) that "for accelerating the pace of housing construction in the country a package of practices and programmes will have to be taken up in an integrated and coordinated manner by the Central Government, State Governments and Local Self Governments."

3.11. With regard to the action taken by Government on the above recommendation, the Ministry of Works and Housing stated as follows:—

"Housing at present, is a State subject. Formulation and execution of housing projects and other related matters vest with the State Governments. The role of the Central Government is only catalytic and advisory in character and demonstrative in nature. Evolution of new practices and programmes in the field of housing requires mutual consultation between the State Governments and the Central Government and involves considerable thinking and preparatory action." This process is a continuous

one. Recently we have introduced two new schemes viz., (1) Provision of house-sites to landless workers in rural areas and (2) environmental improvement of slums in urban areas, because the working of the existing schemes revealed that economically the most vulnerable population, both in the urban and rural areas, were not deriving sufficient benefit out of the existing schemes as their requirements were entirely different. In the villages, a large population is not having house sites of their own. Similarly, in the urban areas, considerable population has been living in the filth and squalor. The two new schemes are now being continued in the Fifth Plan as a part of the Minimum Needs Programme. Also we have set up a Government company—Housing and Urban Development Corporation—primarily to augment the resources for construction of houses for economically weaker sections of population, in addition to other viable programmes.....”

3.12. The Committee note that the country is today facing a gigantic housing problem which is aggravating rapidly as the years roll by.

The present housing shortage of 15.6 million units, 3.8 million in urban areas and 11.8 million in rural areas, is expected to go up to 65.6 million units in 2001 A.D. It is estimated that the construction rate is only 2-dwellings per 1000 population per annum. It is observed that between 1931 to 1971, the urban population increased from 34 million to 110 million, which is a three-fold increase in the span of four decades. The highest incidence of shortage has been stated to be in the low income categories in the urban areas. It is evident that the steps taken so far have not been able to make any significant dent on the acute housing shortage.

3.13. The Committee agree that the problem of housing such a large population is of “a colossal order” but as housing is a basic need of human beings, next to food, the Committee consider that it is high time that concerted measures are taken to narrow the widening gap between the requirements and availability of housing in the country, so that the situation does not become unmanageable in the future.

3.14. One of the problems with regard to housing as indicated in the Draft Fifth Five Year Plan is the lack of availability of data regarding the shortage of housing in the urban and rural sectors, the

available data is stated to be 'unreliable and unsatisfactory'. The Ministry of Works and Housing have admitted that in the absence of reliable and satisfactory data regarding housing it is not possible to formulate short and long term plans for dealing with the housing problem. The Committee, therefore, would like Government, in consultation with State Governments, to initiate necessary steps for collection of data in regard to housing requirements so that the problem is viewed in its correct perspective and measures taken to deal with it in the context of the resources on hand and the resources which can be generated. The Committee need hardly emphasise that assessment of the actual housing needs particularly for the economically weaker sections of society and low income groups may be made and perspective plans prepared for meeting the housing shortage within a time bound programme.

3.15. The Committee agreed that formulation of housing plans is primarily the responsibility of State Governments, but considering the gravity and vastness of the problem and limited resources of the States, the matter cannot be left entirely to the State Governments and the Central Government will have to accept a large measure of responsibility for financing and guiding the State Governments to undertake perspective planning in respect of housing programmes, at least, in the metropolitan and other big industrial cities where congestion and shortage of housing have become acute in recent years. It is also imperative that Government should watch closely the implementation of policies and programmes under the Urban Land Ceiling Act which has recently been enacted by Parliament for socialisation of land in certain selected towns.

3.16. The Committee consider that in the context of social housing schemes, the construction of luxury houses has no place. Effective action should therefore be taken to discourage the construction of large and luxury houses to ensure social use of land in the light of provisions of Urban Land Ceiling Act. This idea was also expressed in clear terms by the late Prime Minister Nehru in the following terms:—

"If we are to have large scale housing construction we must undertake various sizes of houses of course, but the really big ones must be avoided and not even encouraged so far as private owners are concerned."

3.17. The Estimates Committee which visited some of the towns in Haryana were given to understand that under a imaginative rationalisation scheme, new complexes housing all the district offices

of the Deputy Commissioner, Magistrates, Civil Supply Officers, etc, have been housed in one integrated complex. The Officers and staff have also been provided with residential accommodation nearby on a planned basis. The old houses with huge compounds of the civil officers from colonial days have been done away with and the land released put to public use either for construction of houses by cooperative societies or auctioned to the public at remunerative prices to generate resources. The money realised from the disposal of the valuable land has been utilised for building the modern complex of integrated offices as mentioned above.

The Committee have been given to understand that one of the constraints coming in the way of undertaking a meaningful programme of housing for the weaker sections, is paucity of land. The Committee feel that the approach adopted by the Haryana Government as outlined above, may well provide an answer.

The Committee would like Government to study the matter in depth and prepare a model scheme for circulation to the State Government etc., for putting to rational use the huge land existing in the colonial houses of civil officers in the districts and put it to use for providing houses to the people in general, particularly those coming from the weaker sections of society.

3.18. The Committee need hardly stress that the complexes to house the district offices and provide accommodation to the officers and staff nearby should also be developed simultaneously as per a time bound programme so that the rationalised scheme is implemented smoothly and successfully.

4.19. The Committee would further urge Government to simplify the laws of property over land in the metropolitan and other big cities so as to ensure social use of the property in the interest of the community.

B. National Housing Policy

3.20. A statement (Appendix III) on the Housing Policy was for the first time made on the 14th August, 1957 in the Parliament by the then Minister for Works, Housing and supply. The salient features of the Policy are as follows:—

- (i) Priority will have to be given in the matter of subsidy to those whose need is the greatest. To others, it will be a great help if arrangements could be made to enable them

to obtain land and loan—finance to build their own houses or to buy them from Government and Semi-Government agencies or to secure them on a rental basis.

- (ii) It is proposed to set up Housing Corporations in the States to provide loan—finance, with the Central Government providing the necessary subsidy also.
- (iii) Indigenous building materials will be used to the maximum extent possible and there will be no undue demand on scarce materials.
- (iv) Government have set up in the Ministry of Works, Housing and Supply a separate Department under a Housing Commissioner so that the implementation of the housing schemes proceeds expeditiously. State Governments will also set up separate organisation for Housing.

3.21. Repeated suggestions have been made in the Housing Ministers Conferences that with a view to giving an impetus to construction of houses to wipe out the present shortage and to meet the needs of the growing population, a National Policy on Housing should be evolved. The Conference held in Madras in 1974 recommended the setting up of a National Commission to go into this question in depth and make recommendations on the policy to be adopted for the future. The Conference held in Bhopal in 1975 while regretting that their recommendation made at Madras, had not been implemented, reiterated its earlier Recommendation and urged upon the Government to set up a National Commission on Housing immediately to enable a national policy to be evolved as early as possible.

3.22. Explaining the constraints, the Draft Fifth Plan document states as under:—

“It is extremely difficult for any developing country, even with the highest ideals of social welfare, to implement an ambitious programme of housing which is un-related to the economic level and the saving capacity of the people and to the totality of the available resources. Consequently, the Fifth Plan addresses itself to the following limited objectives in the housing sector:—

- (i) preservation and improvement of the existing housing stock;

- (ii) provision of house sites to 4 million landless labourers as a part of the Minimum Needs Programme;
- (iii) continuance of the existing schemes to provide subsidised houses to certain weaker sections of the community.
- (iv) extension of support to institutional agencies such as Housing and Urban Development Corporation and Housing Boards under the State Governments to enable them to provide assistance to Schemes for the benefit of low income and middle income groups; and
- (v) intensification of research in and development of cheap building materials."

3.33. The policy contained in the Fifth Plan document lays down the limited objectives to be achieved on a short term basis. The question of drawing up a National Housing Policy on long term basis necessarily implies long term financial commitments and hence the task is complex keeping in view the serious constraint on resources.

3.24. The delay in spelling out the National Housing Policy also came up before the Estimates Committee during the years 1972-73 and 1974-75. During evidence before the Committee in December, 1972 the representative of Planning Commission had informed the Committee that "The Steering Group which has been set up by the Planning Commission, in consultation with the Ministries has further working groups under it to deal with various problems and aspects of these subjects. The Working Groups have been meeting off and on and we hope to get an integrated picture in a few months time when the Steering Group will apply its mind and some sort of policy would be attempted in view of the complexity of the problem..... It is hoped that the Steering Group appointed by the Planning Commission will be submitting its report to the Commission very soon for its consideration and incorporation in the Fifth Plan. The Policy as such will be formally spelt out as a part of the Fifth Plan after keeping in view the overall resources and commitments so involved." In their 67th Report (1974-75), the Esti-

mates Committee, while re-iterating their earlier recommendation made the following observation:—

“The Committee regret to note that even after 25 years of Independence, Government have not been able to evolve a national policy on housing, in respect of a basic necessity like providing shelter to the common man. While agreeing that due to severe financial constraints, it may not be possible for the Government to go in for construction of houses in a big way, the objective of providing shelter to the common man has to be kept in view at least as a long term objective. The Committee, therefore, reiterate their earlier recommendation that Government should formulate the national housing policy without any further delay so as to provide clear and firm guidelines for the housing programmes in the future plans.”

3.25. Asked to state the present position in the matter, the representative of the Ministry of Works and Housing stated in his evidence before the Committee that the recommendation of the Housing Ministers Conference held in Madras “was examined in consultation with the Ministry of Finance and the Planning Commission. It was then realised that there were a large number of studies on matters connected with housing and that it might be useful if a Working Group of experts was set up to study the material already collected and indicated the areas for future study. After that material was collected, if necessary, we might go into the question of forming a national commission. So a Working Group was set up in November, 1975 and that Working Group is going into the matter.”

3.26. Asked about the views of the Ministry of Finance, the representative of the Ministry of Finance stated during evidence that “the Finance Ministry and the Planning Commission felt that this policy could be devised or streamlined by the existing agencies if they worked in cooperation with each other and that a separate commission was not really necessary. However, a decision has since been taken that when the Working Group makes its report the question can be re-considered.” When asked if money could be made available, the representative of the Finance Ministry added. “The Commission as such does not require large funds, but the Finance Ministry had also pointed out that since there was not sufficient money to be spent on housing, the setting up of a National Commission might not yield any useful results.”

3.27. The Committee note that a statement on the Housing Policy was for the first time made in the Parliament on the 14th August, 1957. The statement laid emphasis on subsidy in housing to the needy persons with meagre income and on setting up Housing Corporations in the States to help with financial assistance to those who could perhaps do without subsidy. The Committee, however, note that this statement has not been followed up by setting forth National Housing Policy so as to provide clear and firm guidelines for the housing programmes.

3.28. The Committee would in this connection refer to their recommendation in the Thirty-Seventh Report (1972-73) and Sixty-Seventh Report (1974-75) that Government should formulate the National Housing Policy without any further delay. The Conferences of the State Housing Ministers have also recommended formulation of such a Policy. The Committee are concerned to note that no conclusive action has been taken by Government on the recommendations and the matter is still engaging the attention of the Government.

3.29. The Committee are not convinced by the necessity of setting up another Working Group in November, 1975 to study the material already collected on matters connected with housing and indicate the areas for future study, when the spade work had already been done by a Steering Group at the time of the formulation of the Fifth Five Year Plan.

3.30. The Committee are unhappy at the delay in coming to a decision in this important matter which needs to be dealt with on an urgent footing. They would urge Government to bring out the National Policy on Housing without further loss of time. The National Housing Policy may, inter alia spell out in clear terms the responsibilities of the State/local Governments in the matter of area planning, acquisition and development of land, environmental improvements, provision of infra-structure facilities, development of growth centres and satellite towns etc. It would also be desirable if the obligation of employers in providing houses to their employees as also the role of the financial institutions in providing necessary finance for housing activity may also form part of the National Housing Policy. The Committee further suggest that the National Housing Policy should be reviewed periodically in the light of experience gathered and availability of resources.

CHAPTER IV

HOUSING SCHEMES

A. Social Housing Schemes

The Ministry of Works and Housing introduced the following Social Housing Schemes with effect from the year noted against each:—

Sl. No.	Name of the Scheme	Year of introduction.
1.	Integrated Subsidised Scheme for Industrial Workers and Economically Weaker Sections of Community.	1952
2.	Low Income Group Housing Scheme.	1954
3.	Subsidised Housing Scheme for Plantation Workers.	1956
4.	Slum Clearance/Improvement Scheme.	1956
5.	Village Housing Projects Scheme	1957
6.	Middle Income Group Housing Scheme.	1959
7.	Rental Housing Scheme for State Government Employees.	1959
8.	Land Acquisition and Development Scheme.	1959
9.	Jhuggi and Jhonpri Scheme (for Delhi only)	1960
10.	Scheme for Provision of house-sites to landless workers in the rural areas.	1971

4.2. These schemes are implemented by the State Governments and Union Territory Administrations. The role of the Central Government vis-a-vis these schemes is confined to laying down broad principles, providing necessary financial assistance to State Governments (and such advice as may be sought by them from time to time) for implementation of these schemes, and watching their progress. The State Governments and Union Territory Administrations have been vested with full powers to formulate, sanction and execute suitable projects under these schemes in conformity with the provisions of the respective schemes, and also to release financial assistance therefor to the concerned construction agencies. Except the scheme for Subsidised Housing for Plantation workers, all the Social

Housing Schemes are stated to be in the State Sector. The scheme for provision of House sites to landless workers in the rural areas was transferred from the Central Sector to the State Sector from the commencement of the Fifth Five Year Plan (1st April, 1974). With effect from the beginning of the Fourth Plan (1969—74) Central financial assistance is being given to States in the form of 'block grants' and 'block loans' for all State Sector schemes (including housing schemes) taken together, without its being tied to any particular "Head of Development" or Scheme. The State Governments are free to utilise the Central assistance on any State Plan scheme according to their own requirements and priorities.

4.3. The salient features of the scheme are given separately for each scheme is at Appendix—IV.

4.4. The following table gives the financial provision and expenditure incurred during the first four plans under the various social housing schemes:—

(Rs. in crores)			
	Plan funds	Drawn by States	Shortfalls
1st Plan	37.50	24.12	13.38
2nd Plan	101.14	89.75	11.39
3rd Plan	179.00	147.55	31.45
1966—69 (3 years)	54.34	62.85	—
4th Plan	135.00	145.64	—
TOTAL	506.98	469.91	—

4.5. In the draft Fifth Plan an outlay of Rs. 348 crores is proposed for the various social schemes in the State and Central Sectors as under:—

(Rs. in crores)	
(a) STATES AND UNION TERRITORIES PLANS	
(i) Housing schemes	234.84
(ii) Rural Housing site for landless agricultural workers as a part of the Minimum Needs Programmes.	108.16
(iii) CENTRAL SECTOR.	
Subsidised Housing Schemes for Plantation Workers.	5.00
TOTAL	348.00

4.6. The draft Fifth Plan document states that "the existing system of financing and execution of various social housing schemes on a compartmentalised basis will need to be reviewed. Preference will have to be given to composite housing schemes catering to all income-groups to that whilst such schemes are economically viable as a whole, it is possible to subsidise the economically weaker sections at the expense of persons belonging to the upper-income brackets. For social housing it is proposed to shift the emphasis from public housing constructed for rental purposes to housing whose ownership can be transferred by outright sale or through hire purchase system."

4.7. The total number of houses sanctioned and completed under each of the schemes are as under

(As on 30-6-1975)

Name of the scheme	Year of inception	No. of houses sanctioned	No. of houses completed
1	2	3	4
1 Integrated subsidised scheme for Industrial Workers and Economically Weaker Sections of Community	1952	2,43,583	1,82,233
2 Low Income Group Housing Scheme	1954	3,06,266	2,44,009
3 Middle Income Housing Scheme	1959	44,036	34,322
4 Subsidised Housing Scheme for Plantation Workers	1956	14,297	4,086
5 Rental Housing Scheme for State Government Employees	1959	28,776	23,701
6 Village Housing Scheme	1957	96,299	59,659
7 Jhuggi Jhonpri Removal Scheme for Delhi only	1960	..	..
8 Slum Clearance Scheme	1956	1,49,404	95,812
TOTAL		8,82,661	6,43,832
9 Land Acquisition and Development Scheme	1959	83,854.21 acres of land sanctioned for acquisition and development	26,928.68 acres of land acquired and 14,329 acquired acres developed

1	2	3	4
10 Provision of house sites to landless workers in Rural areas	1971	No of Houses sites	
		Approved for development including State Sector	Deve- loped
		Allotted including undeveloped	
		9,74,380	3,17,645
			32,42,400

4.8. It will be seen from the table below that the investment on housing in the public and private sectors declined in relation to total investment from one Plan to the other:—

(Rs. in crores)

Plan	Total Investment	Public Private Investment in Housing	Percentage to total Investment
1st Plan . . .	Public	1560	250
	Private	1800	900
2nd Plan . . .	Public	3650	300
	Private	3100	1000
3rd Plan . . .	Public	6100	425
	Private	4300	1125
4th Plan . . .	Public	13655	625
	Private	8980	2174
5th Plan . . .	Public	31400	1044
	Private	16161	3636

4.9. Regarding low investment by Public and Private Sectors in the Five Year Plans, the Study Group on Rural Housing in their Report (1975) have stated:—

“Unfortunately, the priority for housing in the planning process came to be less and less important affecting a very vital aspect of human welfare and social justice. This position perhaps emanated because the policy-makers had a belief that the productivity of investment in housing was low and therefore the capita/output ratio high. However, both these beliefs perhaps stand on vulnerable pedestal and already various countries are putting more

investible funds in housing because such a process indirectly helps in raising productivity in general and labour productivity in particular. In developed countries, (such as U.S.A., Canada, West Germany, Italy and the U.K.), the housing investment has been about 20 per cent or more on the total investment. So also in the developing countries, the proportions of housing have been increasing such as in Iran, Iraq, Ceylon, Israel, Spain, where it is 20 per cent or more of the total investment. Also in the centrally planned economies, the proportions have increased nearly to 20 per cent of the total investment. The higher shares of housing investment perhaps have been responsible for contributing towards higher growth rates in these countries and probably provided incisive rise in labour productivity and consequently in raising the level of economic and social welfare."

4.10. Asked during evidence to state the benefits available to scheduled castes and scheduled tribes under the various housing programmes, the Secretary of the Ministry of Works and Housing stated during evidence:—

"We have the following schemes from which benefits are derived by the Scheduled Castes and Scheduled Tribes. They are the village Housing Project Schemes, Scheme for provision of house sites to landless workers in rural areas, low income group housing schemes, slum clearance and improvement schemes and subsidised housing schemes for plantation workers. Now the benefits of these schemes flow to a fair section of the scheduled castes and scheduled tribes as you will appreciate in most of these areas, there is a predominance of scheduled castes and scheduled tribes.

Therefore, these are the schemes that are at the moment in actual progress for giving benefits to the scheduled castes and scheduled tribes people among others. The low income group housing schemes also come under this. There is also a preference to cooperative societies having Harijans among the members for grant of loans for building houses. This is another low-income group housing scheme aspect which has special reference to the Scheduled Castes and Scheduled Tribes and here the Harijans have particularly been mentioned. Then, there is reservation of houses and plots in the low income group for allotment to Scheduled Castes and Scheduled Tribes.

As to the extent to which the State Governments have implemented this there was a recommendation by the Housing Ministers' Conference at Bhopal that they must quantify the funds out of their annual plan allocations for housing for Scheduled Castes and Scheduled Tribes."

4.11. The Committee note that the Ministry of Works and Housing had introduced 10 Social Housing Schemes to meet the housing needs of the economically weaker sections of the society, low-income group of people, industrial and plantation workers etc. All these schemes, except the scheme for provision of house sites to landless workers which was introduced in 1971, were introduced between 1952 to 1960. The Committee also note that since the inception of the schemes, out of about 9 lakh houses sanctioned, 6 lakh houses have been constructed. The Committee feel that considering the long period these schemes have been in operation and the ever increasing housing shortage, particularly for the economically weaker sections of society, the programmes undertaken under these schemes are far from adequate. There is need for perspective and comprehensive housing programmes in the national framework, setting out specific goals and targets specially for catering to the housing needs of the urban and rural poor, and those belonging to the low income groups. The Committee feel that the Government should review the progress made under each of the schemes with particular reference to the targets fixed and achieved in order to identify the reasons for shortfall and to see how far these schemes have fulfilled the aims and objectives for which they were introduced. In this connection, the Committee would also like to draw the attention of the Government to the reference made in the draft Fifth Five Year Plan document that "the existing system of financing and execution of various social housing schemes on a compartmentalised basis will have to be reviewed, preference being given to composite housing schemes catering to all income-groups so that whilst such schemes are economically viable as a whole, it is possible to subsidise the economically weaker sections at the expense of persons belonging to the upper income brackets. For social housing it is proposed to shift the emphasis from public housing constructed for rental purposes to housing whose ownership can be transferred by outright sale or through hire-purchase system."

4.12. As regards shortfall in expenditure during the Plan period, the Committee note that in the First Plan it was Rs. 13.33 crores out of a total allocation of Rs. 37.50 crores (about 35 per cent). The position in the Second and Third Plans was also far from satisfactory as the shortfall in expenditure was Rs. 11.39 crores (about 10 per-

cent) and Rs. 31.45 crores (17 per cent) against the allocations of Rs. 101.14 and Rs. 179.00 crores respectively. The Committee are, however, glad to note that the financial allocations during the Plan holiday (1966—69) and the Fourth Plan were put to full utilisation. The Committee note that a provision of Rs. 348 crores has been made for various social housing schemes in the draft Fifth Plan. The Committee hope that optimum use will be made of the resources available as also achieve the physical targets laid down.

4.13. The Committee further note that there is a declining trend in public investment in housing in relation to total public investment from one plan to the other. The percentage of public investment in housing to total public investment had declined from 16 per cent in the First Plan to 8 per cent in the Second Plan, 7 per cent in the Third Plan, 5 per cent in the Fourth and to 3 per cent in the Fifth Plan. It is a matter of concern that the priority for housing is progressively getting lower from one Plan period to the other, though it is generally recognised that a positive housing policy contributes to economic development and social welfare. The Committee would like to point out that already various countries are putting more investible funds in housing because not only it raises the productivity in general but also generates employment opportunities for labour, engineers, architects etc. In developed and developing countries like USA, Canada, West Germany, UK, Italy, Iran, Iraq, Sri Lanka etc., the housing investment has been about 20 per cent or more of total investment. The Committee, therefore, recommend that Government should undertake a review of the housing policy, the priority accorded to housing in the national plans and funds allocated therefor urgently and accord a higher priority to housing which is a basic need.

4.14. While the Committee note that there are large avenues open for Scheduled Castes and Scheduled Tribes for getting houses out of the existing social schemes, they apprehend that on account of their weak financial position, the members of Scheduled Castes and Scheduled Tribes may not derive the maximum benefits out of the social housing programmes. The Committee would however like Government to give wide publicity to the social housing schemes for Scheduled Castes and Scheduled Tribes and weaker sections of society so that these schemes are well known to these people.

4.15. The Committee need hardly emphasise that funds may be allocated for housing for these communities in the State Plans with reference to their population. Besides this, the State Governments may also be asked to arrange loans for them on easier terms in con-

1	2	3	4
3	Rental Housing Scheme for State Government Employees	Quarterly	Gujarat Tamil Nadu Haryana, Himachal Pradesh, Jammu & Kashmir, Manipur, Nagaland, Tripura, Arunachal Pradesh and Mizoram are not implementing.
			December, 71 September, 72
4	Land Acquisition and Development Scheme	Half yearly	Assam Gujarat Jammu & Kashmir Karnataka Orissa Rajasthan Tamil Nadu Manipur, Nagaland, Meghalaya, Arunachal Pradesh, Tripura and Mizoram are not implementing.
			March, 71 September, 72 September, 68 September, 69 September, 69 March, 73 March, 73
5	Integrated subsidised Housing Scheme for Industrial workers etc	Quarterly	Jammu & Kashmir Tamil Nadu Gujarat Maharashtra Assam Andhra Pradesh Rajasthan Himachal Pradesh, Manipur, Meghalaya, Nagaland, Tripura and Arunachal Pradesh are not implementing.
			Not sent any September, 69 June, 71 September, 71 September, 72 March, 73 December, 73
6	Low-Income Group Housing Scheme	Quarterly	Gujarat Himachal Pradesh Nagaland Tamil Nadu Haryana Jammu & Kashmir Maharashtra Goa, Daman and Diu Andhra Pradesh Assam Manipur
			December, 68 December, 71 March, 72 December, 72 December, 72 March, 73 March, 73 September, 73 June, 73 December, 73 December, 73
7	Slum Clearance/Improvement Scheme	Quarterly	None of the State
			Government has so far sent up-to-date reports.
8	Scheme for Provision of Housing sites to landless workers in Rural Areas.	Quarterly	Gujarat Bihar Kerala Uttar Pradesh
			March, 73 December, 73 December, 72 March, 73

4.18. The Committee are unhappy to note that the State Governments who are required to furnish to the Ministry of Works and Housing, quarterly/half yearly progress reports under the various social housing schemes have not been sending such reports regularly and in time. They observe that in some cases, progress reports have not been furnished since 1968 or 1969 and in a majority of cases

the reports have been due for two years and more. The Committee note that the need for sending these progress reports to the Ministry in time has been emphasised at the Conferences of State Ministers for Housing and Urban Development, held at Madras in 1974 and at Bhopal in 1975. The Committee would like the Government to urge upon the State Governments the importance of the progress reports again.

4.19. The Committee suggest that Government may call the State Housing Commissioners or the Senior Officers incharge of Housing to sort out the matter where the reports have not been received persistently for a long time. The Committee need hardly emphasise that the Reports should contain only essential data for meaningful monitoring and for extending assistance as required.

B. Rural Housing

4.20. While 80 per cent of Indian population live in rural areas, the housing conditions of people living in rural areas are by and large deplorable. The housing data of 1971 indicated a numerical shortage of 4 million housing units in rural areas by balancing rural housing stock of 74 millions against the total number of 78 million rural households. In case the unserviceable 'Kutchra' houses are added to this figure of numerical shortages, the actual shortage would amount to 12.5 million housing units. Further if the 'Kutchra' serviceable units numbering 28.8 millions are added, the total shortages would be 41.3 million which would be more than 50 per cent of the rural housing stock. Further, if the criteria of the U.N. Publication, 'Statistical Indicators of the Housing Conditions' are applied to the housing conditions in India, it may well be that under the definition of 'Conventional Houses', only 8.3 million rural pucca houses will be categorised and they form only about one-eighth of the total rural housing stock of 1971.

4.21. As regards the quality of the houses, essential services, space standards etc. the Study Group on Rural Housing (1975) has noted that about 76 per cent of the houses in rural areas have 1-2 rooms, nearly 18 per cent have 3-4 rooms and only 6 per cent have 5 or more rooms. Further approximately 45 per cent of the rural households have more than 6 members, 41 per cent 3-5 members, and only 14 per cent, 1-2 Members. Again, the designs of the houses are defective. Sanitary facilities generally do not even fulfil health standards, 97 per cent of the rural houses have no latrines and 93 per cent have no bath rooms. The supply of water is

unhygienic largely, combined effects of over-crowding, poor sanitation facilities and water supply make the households prone to diseases and ill-health, in general.

4.22. Despite the planning process, housing standards have not improved; on the contrary there has been some degeneration both in urban and rural areas of India. The reason is not far to seek; absence of sectoral balanced allocation is at the root. For example, it was unfortunate that less than 10 per cent of the total planned provisions for housing was allocated to rural housing from one plan to the other and even these meagre amounts could not be spent for the purposes for which they were earmarked. The rural housing situation degenerated faster, accompanied by low rate of construction of only 2.3 rural dwelling units including 'Kutchha' serviceable and non-serviceable units per annum per 1000 population. On the eve of the year 1976 the numerical rural housing shortage would be about 13-14 millions.

Rural Housing during Five Year Plan

4.23. In the First Five Year Plan, no rural housing scheme was included. However, rural housing could not be excluded from the Community Development Programme and as a part of the programme rural housing received some attention during the First Plan period.

4.24. For the first time, a rural housing scheme called 'Village Housing Projects Scheme' was included as a separate item in the Second Plan and out of a specified provision of Rs. 1200 million for housing, Rs. 10 crores (which was later revised to 4.15 crores as a result of re-appraisal of the plan) was provided under the Village Housing Projects Scheme and out of this Rs. 3.7 crores were spent. Plans of 1600 villages were drawn up and loans amounting to Rs. 36-37 million were sanctioned for construction of about 15,400 houses—of which about 3,000 were completed and others were in the pipeline.

4.25. In the Third Plan Rs. 12.7 crores were allotted for Village housing with a physical target of providing 1,25,000 houses/tenements, out of a total provision for housing and urban development of Rs. 2020 million. The Third Plan emphasised the implementation of housing scheme through a small group of villages, isolated villages, alongwith setting up of a brick kiln and supply of components on a cooperative basis to meet a continuing demand. Priority in village housing programmes were also accorded for the Harijans,

agricultural workers and those sections of the village community whose housing conditions were deplorable.

4.26. The Fourth Plan Sub-Committee on Rural Housing noted that the progress in the village housing since 1957 and upto the end of the Third Plan did not touch the enormous problem of rural housing and tackled only about 5,000 villages or less than one per cent of the 5,67,000 villages in the country. Within this frame, upto the end of 1963, out of 5,000 villages allocated, 3522 villages were surveyed, layout plans were prepared for 2,762 villages and actual schemes were started in only 2003 villages; only about Rs. 52.5 millions were sanctioned and Rs 42.7 millions disbursed, that is, loan assistance for 41,825 units and disbursement for 18,675 units respectively. The reasons for slow progress were:—

- (1) Undue emphasis on replanning of the whole village as a model village, which was impracticable in most cases.
- (2) the tendency on the part of the village population to regard investment in a house as unproductive.
- (3) Economically weak re-paying capacity of the villages of the housing plan.
- (4) Inadequate administrative and technical machinery for implementing the scheme; and
- (5) Low priority accorded to village housing scheme by the State Governments.

4.27. However, under the deferred Fourth Plan (1969-70 to 1973-74) during the last 2-years 8,85,502 house-sites were sanctioned at an approved cost of about Rs. 198 millions for which the Central assistance released was about 73 million; out of which 2,95,003 house-sites were reported to have been developed. Under the scheme a 100 per cent grant was made available to the States and Union Territories to meet the cost of acquisition of land where necessary and land development expenses at the rate of Rs. 150/- per house (of 900 sq. ft.) were also made available.

4.28. In the draft Fifth plan, there is no separate provision for rural housing except Rs. 1,082 million for providing 4 million rural house-sites for landless agricultural workers, including homestead rights as a part of the Minimum Needs Programme, provision for which forms about 18 per cent of the total allocation provided in the draft Fifth Plan for housing. The quantum of sites for landless

labour is, however, dependent upon (a) the way this programme is implemented, (b) the enactment of necessary legislation conferring homestead rights to the landless labour on existing sites and (c) linking the action on land reforms.

4.29. For the first annual plan of the draft Fifth Plan, Rs. 529.8 million were provided for implementing the various social schemes including Rs. 86.5 millions for house-sites scheme.

4.30. A statement showing the number of houses sanctioned/completed and the amount sanctioned/disbursed State-wise/Union Territory-wise since the inception of the Village Housing Projects Scheme in 1957 is given at Appendix V. It will be seen from the Statement that against a total number of 96,299 houses sanctioned, 59,659 houses were completed and that constructions in some States *viz.*, Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Tamil Nadu have ranged between 36 to 54 per cent only of the total units sanctioned. Similarly out of Rs. 2223.46 lakh sanctioned, Rs. 1650.36 lakh were disbursed to the State Governments.

4.31. A premier Institute of Technology in a Memorandum submitted to the Committee has pointed out certain problems in respect of the village Housing Scheme as under:—

“In spite of many commendable merits inherent in the scheme, the biggest problems involved are first, the inadequacy of supply of building materials; secondly institutional and cultural limitations of the rural people which may and often do, demand largely different considerations for the activity allocation and space articulation inside the home. It appears that the time has come that research organisations explore a different approach emphasising more on the attitudes and values of the weaker sections.

Another serious problem is that the rural housing scheme essentially caters to provide the facilities of the house accommodation, with little or inadequate consideration of the utility like latrine and almost no consideration for the community facilities. Location of common facilities have frequently not been scientific and has been detrimental to the very basic purpose of the scheme.

Rural Housing Scheme to be really effective, should or rather must be integrated with village planning.”

4.32. Concerted attention on the problem of rural housing, as a part of integrated development of rural areas, was directed by the

Conference of State Ministries of Housing and Urban Development held at Madras in May/June, 1974. The Conference *inter alia* recommended that the Central Government should set up a separate body in the public sector to provide finance for housing and rural development on concessional terms. As a follow-up to the recommendations, Government appointed a Study Group on Rural Housing consisting of the representatives of some of the State Governments, central organisations and individual experts under the Chairmanship of Joint Secretary (Housing) in the Ministry of Works and Housing. The Report of the Study Group was placed before the Conference of the State Ministers of Housing and Urban Development held at Bhopal in October, 1975. The main recommendations made by the Conference of State Ministers' in regard to rural housing are as under:—

- (i) In view of the increasing bank deposits and accruals from L.I.C. premiums, about 3—5 per cent of these resources should be immediately made available for rural housing programmes, with provisions for increasing this amount progressively in future.
- (ii) In order to increase the earnings and repayment capacity of the beneficiaries especially in the rural areas, the rural housing programme should be sufficiently linked up with rural development programme consisting of a deliberate public policy of decentralisation of production and employment in the rural areas
- (iii) A Rural Housing and Development Corporation may be set up with an initial capital of Rs 50 crores to be stepped up to Rs. 200 crores and more as recommended by the Study Group on Rural Housing set up by the Ministry of Works and Housing. Such a Corporation will also be able to attract international financial resources.

4.33. Regarding the action taken on the recommendations of the Conference of State Ministers' Government have stated that the recommendations at (i) and (iii) were under consideration of Government, the latter in consultation with the Finance Ministry and Planning Commission. As regards recommendation at (ii) it was stated that it had been sent to the State Governments for appropriate action. However, during the course of evidence, the Committee were informed as under:—

“We fully realise that rural housing should form part of an overall rural development programme. This is based

above all on progressive increase in agricultural production and local employment opportunities. We should, therefore, frame it in such a manner as to enable it to take on the form of a steady developing effort in the rural areas. We have been looking at it from various angles. There is the educational approach also to the village people. After all it is not enough if the Government alone builds rural housing. There must be a conscious effort from within the people wanting to build houses for comfortable living and also to maintain them. All these require education in the rural areas. It is comprehensive programme and it will have to be looked at from this angle. Improvement of roads, drainage, water supply and other amenities will also have to be given due consideration. We are looking into these aspects. The State Governments who are the agencies directly concerned with its implementation have been requested to attend to these tasks in an overall strategy."

4.34. During their visit to Kerala in June, 1975, the Study Group of Estimates Committee learnt that the State Governments had a scheme for construction of one-lakh houses for agricultural labour, to be constructed through local Panchayats by raising local resources and by contribution from Government. Each beneficiary was given Rs. 100/- in 10 instalments. During evidence, the representative of National Building Organisation informed the Committee that the actual cost per unit was about Rs. 1800 to 2000 and that Finance Housing Fund and Donations had been utilised for the construction of these houses and that the school boys and teachers had contributed voluntary labour. It was stated that the scheme was taken up in 1972-73 and so far 45,000 houses had been completed, out of which 33,000 had already been allotted to landless workers in the rural areas.

4.35. Asked to State that present machinery both at the centre and State level to look after rural housing, the Secretary of Ministry of Works and Housing stated during evidence:—

"Firstly, the rural housing at the centre is handled by the Ministry of Works and Housing. In the States, they have got their own housing departments: in some of the States, the Land Reforms and Revenue Departments or the Agriculture and Community Development Departments are dealing with the rural housing. There is a slight difference in the administration in different States

as to who would do the rural housing. But, significantly, in some States, they have set up the rural housing board. It is very interesting that the Government of Gujarat, apart from its regular housing board, have separate housing board called the 'Rural Housing Board' and the Government of Haryana have established a Rural Development Board. The Government of Tamil Nadu have got a corporation known as Tamil Nadu Harijan Housing and Development Corporation. There the operations are in predominantly harijan areas which are rural areas. Now, at the centre, besides our Ministry we have also given a specific task to the HUDCO. It is in the HUDCO's charter of duties that the rural housing should be attempted and they can undertake a number of rural housing schemes."

4.36. The representative of HUDCO stated that "at present, we do not have many schemes of rural housing. In fact, as far as I remember we sanctioned one in Kerala. The main constraint has been the resources. There is nothing in our charter to prevent us from undertaking the rural housing. The difficulty is that we have not had enough resources even for the urban part of our work. If we are assured of the resources, there will not be any difficulty in going over to rural areas."

4.37. The Estimates Committee in their 37th Report (1972-73) had made recommendations for setting up a field organisation to implement the village Housing Scheme and for setting up Rural Housing Boards or similar other suitable organisations in the States. The Committee desired to know the present position. In a written note furnished to the Committee, the Ministry of Works and Housing have stated:—

"The Government of Gujarat have set up a Rural Housing Board. The Government of Haryana have established a Rural Development Board and the Government of Tamil Nadu, a corporation known as 'The Tamil Nadu Harijan Housing and Development Corporation'. The Government of Punjab have intimated that they have set up a Punjab Housing Development Board which can take up the work of rural housing, if necessary. The question of formation of a Rural Housing Board in West Bengal is reported to be under consideration of the State Government.

The question of setting up of a Rural Housing Board in every State was considered in the Conference of State Ministers of Housing and Urban Development held at Madras in May-June, 1974. The Conference did not think it necessary to set up Rural Housing Boards in every State to take up construction of houses in rural areas."

4.38. The Committee are distressed to note that while 80 per cent of the population live in rural areas, the housing condition of people living in rural areas are by no means satisfactory. The Committee note that according to the assessment made by the Study Group on Rural Housing (1975), the numerical rural housing shortage on the eve of the year 1976 would be about 13-14 million units. As regards quality of the houses, essential services, space standards etc., the Committee note that about 76 per cent of the houses in rural areas have 1-2 rooms and that sanitary facilities generally do not even fulfil health standards as about 97 per cent of the rural houses have no latrines or bath-rooms. The Committee are further surprised to note that despite planning process, housing standards in the rural areas have not improved, but on the contrary there has been some degeneration, the reason being the absence of sectoral balanced allocation. For example, it is unfortunate that less than 10 per cent of the total planned provision for housing is allocated to rural housing in the Plans. The housing situation has further deteriorated on account of low rate of construction of rural dwelling units, including 'Kutchra' serviceable and non-serviceable units, which has been 2.3 units per 1000 population per annum.

4.39. The Committee note that the Village Housing Projects scheme introduced during the Second Plan in 1957 has not made much headway as since the inception of the scheme only 59659 houses have been completed against a total of 96299 units sanctioned. Some States like Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Tamil Nadu do not appear to have shown the desired enthusiasm towards the scheme as construction in those States has ranged between 36 to 54 per cent as compared with the total units sanctioned. The Fourth Plan sub-Committee on Rural Housing recognised that "the progress in the village housing since 1957 and upto the end of Third Plan did not touch the enormous problem of rural Housing and tackled only 5000 villages or less than one per cent of the 567000 villages in the country. Within this frame, upto the end of 1963, of the 5000 villages, actual schemes were started in only 2003 villages". The main reasons for slow progress are stated to be inadequate administrative and technical machinery for implementing the scheme and low priority accorded to Village Housing Scheme by the State

Governments. The Committee urge that Government realise the urgent need for improving housing stock in the rural area and for that purpose, gear-up the implementation machinery and make necessary planning in this direction. The Committee consider that the emergency measures conceived under the new Economic Programme can speed up the process only if accompanied by necessary financial assistance to develop the land, build houses and provide such amenities as drinking water and sanitation etc. This has to form part of a package programme to make the rural poor economically self-reliant.

4.40. The Committee consider that an entirely new approach is called for by the State Governments and that a lesson may be drawn from the scheme for rural housing in some States, which aimed at development of newly acquired sites and house construction through an integrated effort, combining Government planning and financing, with the mobilisation of voluntary labour and capital of the beneficiaries themselves. The new approach should therefore lay emphasis on State involvement through planning, direction and in-ments and organised and active participation by the rural people themselves.

4.41. The Committee note that the Study Group on Rural Housing (1975) has made a number of valuable suggestions on the problem of rural housing, as a part of integrated development of rural areas. Taking this as a basis, the Conerence of State Ministers of Housing and Urban Development held at Bhopal in October, 1975, has recommended that (1) 35 per cent of bank deposits and accruals from LIC should be immediately made available for rural housing programmes, (2) the rural housing programme should be sufficiently linked up with rural development programmes, consisting of a deliberate public policy of decentralisation of production and employment in the rural areas, and (3) a Rural Housing and Development Corporation as recommended by the Study Group on Rural Housing may be set up to concentrate on rural housing. The Committee feel that these suggestions call for expeditious and conclusive action to give them a practical shape.

4.42. The Committee note that the Governments of Gujarat, Haryana, Tamil Nadu and Punjab have already set up a separate organisation like Rural Housing Board or similar organisation to take up the work of rural housing etc. The question of formulation of a rural housing board is stated to be under consideration of the West

Bengal State Government also. As regards the question of setting up a rural housing Board by other States, the Committee do not share the views of the Conference of the State Ministers held at Madras in 1974 that it was not necessary to set up such a Board in every State. The Committee feel that the housing problems of the rural poor have not been given close attention so far and as such there is need of a separate body which should exclusively look into such matters and draw up package programme in consultation with other bodies for an integrated development of the rural areas and arrange for finances to implement such programmes. The Committee would, therefore, urge Government to prevail upon the remaining States to take urgent steps to set up rural housing boards or similar other suitable organisations without loss of time, so as to serve as a focal point for purposeful direction of efforts in rural housing.

C. Schemes for Provision of House-Sites to Landless Workers in Rural Areas

4.43. One of the points of the New Economic 20-Point Programme enunciated by the Prime Minister on 1st July, 1975 is to provide house-sites to landless workers in rural area. The purpose of the programme is to give impetus to the Scheme for the provision of house-sites to landless workers in Rural Areas which was already introduced in October, 1971. The scheme aims at assisting the State Governments and Administrations of Union Territories to provide house-sites free of cost to families of landless workers in the rural areas who do not already own a house-site or built-up house or a hut on land at their own. With the house-sites so provided the workers will have to build houses|huts thereon with their own resources and live in peace without being constantly threatened with eviction by the owner of the land on which they have built their houses|huts.

4.44. The Scheme was in Central Sector upto the Fourth Plan and was transferred to State Sector. It was implemented through the respective State Governments and Administrations of Union Territories. Other main features of the Scheme are as under:—

(i) Financial Assistance

The entire cost of acquisition required for the purpose is given by the Central Government as grant-in-aid. In addition, the entire cost of development, not exceeding Rs. 150 per house-site on an average, is made available to States and Union Territories.

(ii) Size of plot

The maximum size of a house-site to be allotted to a landless family shall not exceed 100 square yards. However, the Government of India may relax this condition in exceptional cases where sufficient justification exists.

(iii) Unit of Project

The unit for formulation of a project under the Scheme will be a Community Development Block.

(iv) Provision of Water Supply

In cases where an adequate supply of potable drinking water is not already available a covered masonry well may also be provided to serve a cluster of say 40—50 house-sites (normally, the State Governments should meet this expenditure from the provision for rural water supply).

(v) Allotment of House-sites

In allotting house-sites the State Governments are to ensure that there is not segregation of families belonging to Scheduled Castes| Tribes. Such families are to be suitably interspersed along with the other families.

4.45. In order to avail of Central assistance under the Scheme, the State Governments and Administrations of Union Territories are expected to take urgent action to:—

- (i) Enact suitable legislation (Where this has not already been done) conferring homestead rights on landless workers in rural areas in respect of sites on which their houses/huts stand at present;
- (ii) Utilise available land owned by the State Governments or the Gaon Sabhas in villages for providing house sites, free of cost, to families of landless workers in rural areas who are not covered by action under (i) above.

4.46. The Scheme was transferred from the Central Sector to the State Sector from the commencement of the Fifth Plan i.e., 1st April, 1974. The table below indicates Statewise the number of house-site approved and developed and the amount released and utilised during

the period the scheme was in the Central Sector (i.e., 1972-73 and 1973-74):—

Sl. No.	Name of State	No. of Projects sanctioned	No. of house sites approved for development	No. of house sites developed	Amount released	Amount utilised
(Rs. in lakhs)						
1	2	3	4	5	6	7
1	Andhra Pradesh	19	79598	652	32.78	7.84
2	Bihar	44	82608	8261	15.71	14.88
3	Gujarat	85	162676	4303	76.65	56.97
4	Haryana	1	53	53	0.06	1.00
5	Himachal Pradesh	7	583	2314	0.38	3.32
6	Karnataka	109	172597	125554	59.84	81.43
7	Kerala	960	96000	80000	358.44	520.86
8	Madhya Pradesh	73	134496	..	49.91	119.00
9	Maharashtra	83	108962	41488	41.14	40.71
10	Orissa	2	3349	1095	2.10	0.99
11	Punjab	3	12082	5802	16.56	113.91
12	Rajasthan	46	17832	410	7.19	0.30
13	Tamil Nadu	36	33692	38950	56.64	80.52
14	Uttar Pradesh	27	19808	4853	7.71	6.87
15	West Bengal	12	11166	3910	4.85	3.50
TOTAL		1507	885502	317645	729.96	1052.10

4.47. The provision for the scheme in the Central Sector for the Fourth Plan was 8.50 crores and against it Rs. 7.30 crores were released. About the reasons for not utilising in full the provisions, Government have stated that (1) the State Governments had not made a survey of the landless workers in rural areas, and (2) the State Governments took time to formulate projects and gear up the administrative machinery for implementing them. A provision of Rs. 108.16 crores has been envisaged for the Fifth Plan period under the Minimum Needs Programme for providing 4 million landless agricultural workers with house-sites. It has been stated that ac-

ording to the reports received by the Ministry of Works and Housing from the State Government|Union Territory Administrations upto the end of 31-1-1976, about 6 million workers out of the estimated 12 million landless workers in the country have been allotted house-sites since the inception of the scheme. For the first 2 years of the Fifth Plan, i.e., 1974-75 and 1975-76, the Planning Commission earmarked specific provision of Rs. 832 lakhs and Rs. 635 lakhs respectively for the implementation of the scheme.

4.48. It has been stated by Government that the present information indicates that a large number of house-sites have been allotted undeveloped and it has not yet been possible to verify all cases whether even the developed house-sites have been physically taken possession of by the beneficiaries.

4.49. It has also been stated that some State Governments have reported that the present norm of Rs. 150 for development per site was established in 1971 and since then the cost of development has risen at least to double that figure. If this norm is adhered to then the number of developed sites will automatically come down given the existing budgetary provision with the State Governments. Apart from the cost element some of the States have reported the difficulty of finding an implementing agency to carry out these works. In many cases, the villagers themselves are coming up to perform these tasks, but when it is not possible the very scattered nature of the work has rendered the development of the sites to be a difficult task.

4.50. Asked if Government have designed any model houses to guide the construction of houses over the sites in a planned way with proper layout in order to check their degeneration into slums, the Ministry have stated:—

“Under the Scheme for Provision of House-sites to landless workers in Rural Areas, workers themselves are expected to construct huts|houses on the house-sites allotted to them. Copies of a plan evolved by the National Buildings Organisation for provision of improved houses to economically weaker sections together with the estimates for construction of houses were circulated to the State Governments for their adoption for construction of houses on the house-sites to be provided by them to landless workers with such changes as they might consider necessary depending on the local conditions and requirements.”

4.51. Asked about the guidelines indicated to the State Governments, the Ministry of Works and Housing in a written note have stated:—

“The following are the main guidelines circulated to the State Governments for the implementation of the Scheme for provision of house-sites to landless workers in the rural areas:—

- (i) The Scheme should be implemented and projects sanctioned by the State Governments with reference to the provisions of the Scheme as introduced by the Central Government. No deviation/relaxation of the existing provision of the scheme should be made without prior consent of this Ministry.
- (ii) While sanctioning projects under the scheme, the State Governments should adopt a check list as prescribed to ensure that the projects are properly scrutinised before the sanction is issued.
- (iii) The State Governments should send this Ministry a copy of the orders issued by them sanctioning each of the projects under the Scheme. With a view to ensure that all such orders reach this Ministry, the State Governments may number the sanction orders serially.
- (iv) The State Government should submit to this Ministry quarterly progress reports separately in respect of (i) the projects sanctioned by the Central Government upto 31-3-1974 and (ii) the projects sanctioned by the State Governments after 1-4-1974 as in the standard proforma as prescribed. Separate proforma should be adopted for each block and a summary indicating the consolidated position in respect of all the blocks should accompany the progress report.”

4.52. The State Governments are executing the Scheme in accordance with the guidelines elucidated above, though they have not been sending progress reports regularly. Though the Scheme does not provide for construction of houses on the house-sites, the Governments of Kerala, Karnataka, Tamil Nadu, Madhya Pradesh, Maharashtra, Andhra Pradesh and West Bengal have made some arrangements for the construction of houses on the house-sites allotted to landless workers. According to the information available 102,628 landless families have got houses in the States of Karnataka,

Kerala, Madhya Pradesh, Maharashtra, Tamil Nadu and West Bengal so far. The Statewise break-up is as under:—

Karnataka	13,146
Kerala	33,010
Madhya Pradesh	10,748
Maharashtra	25,000
West Bengal	5,370
Tamil Nadu	6,354
TOTAL	1,02,628

4.53. The Conference of the State Ministers of Housing and Urban Development held in October, 1975 at Bhopal made the following recommendations for speeding up the programme:—

- (i) The house-sites allotted to landless workers should be developed as expeditiously as possible as otherwise the allottees may not be keenly interested in taking possession of and putting up of a hut|house on a house-site which is not properly developed.
- (ii) It should be ensured that allottees are actually given possession of the house-sites and that the allotment is not merely on paper.
- (iii) As the 20-point programme is intended to cover the weaker sections, the scope of the scheme for provision of house-sites to landless workers in rural areas should be extended to all landless workers, artisans, fishermen etc., irrespective of the fact whether they are agricultural workers or not.
- (iv) In view of the increase in cost of development the present ceiling of Rs. 150 per plot may be raised to Rs. 300. In case of hilly areas, the ceiling may be raised to Rs. 500 per house site.
- (v) In case the State Governments are able to find out savings on account of development in any rural area, they may utilise such savings for construction of hut|house on the house-sites in that area.
- (vi) It has been noted that quite a large number of workers are not in a position to construct a hut|house on the house-

sites allotted to them. Some of the State Governments have on their own formulated schemes for construction of houses for such workers or made provision for allotment of some building materials to them free of cost. The Conference appreciates these measures taken by the State Governments. It also recommends that in case the State Governments are able to get the house-sites developed free of cost by mobilising voluntary labour, they may utilise such savings also for constructing hut|house on house-sites allotted to landless workers.

4.54. The Committee note that the scheme for provision of house-sites for landless workers in the rural areas was introduced in October, 1971 as a central sector scheme with cent per cent grant assistance to meet the entire cost of acquiring and developing land for providing house-sites. The Committee also note that the scheme was transferred to the State sector from the commencement of the Fifth Plan i.e., 1st April, 1974. During the period the scheme was in the central sector 15 States had submitted 1507 projects to the Central Government involving an assistance of Rs. 10.5 crores for development of 317,645 house-sites against 885,502 sites approved for development. The Committee feel that though the scheme was a step in the right direction, yet the progress made upto the end of the Fourth Plan was not upto the expectations and aspirations of the rural people. The Committee are, however, glad to note that the implementation of the scheme has picked up after the declaration of the Emergency in the country. The scheme is now a part of the Prime Minister's 20-Point Economic Programme which has created a new awareness and sense of urgency for expeditious implementation of this programme. The Committee are informed that as per the reports received upto 31st January 1976, about 6 million workers out of the estimated 12 million landless workers in the country, have been allotted house-sites since the inception of the scheme. The Committee are aware that the task of providing house-sites to nearly 12 million landless workers in the rural areas who are denied this basic amenity is, no doubt, a stupendous and challenging task. The Committee, however, consider that for the successful completion of the scheme, the present tempo of implementation will not only have to be maintained but accelerated. A time-bound programme may be formulated in each of the States to complete this job. The Committee need hardly point out that to make this scheme a success it is necessary to plan and implement it at the grass-root level.

4.55. Though the scheme did not envisage any grant of financial assistance for construction of houses on the sites allotted, yet the

Committee note that some States like Karnataka, Kerala, Madhya Pradesh, Maharashtra, West Bengal and Tamil Nadu have on their own made some arrangements for construction of houses on the house-sites and according to the information furnished to the Committee, the number of such houses is 1,02,628. While commending these efforts on the part of some States, the Committee urge that other States may emulate these examples. In this connection, the Committee suggest that State Governments may arrange financial assistance for the landless workers from financial institutions like banks, LIC etc. at concessional rates of interest. At the same time, the Committee also feel that with the best of intentions, the official machinery alone cannot grapple with such a gigantic problem unless complete involvement of the beneficiaries themselves in the programme is assured. In this connection, the Committee would like to sound a note of caution that the construction of houses, whether through Government or voluntary efforts, should be according to a well-planned layout, with approved construction designs, combined with provision of infra-structure facilities, so as to avoid degeneration of the areas into slums.

4.56. The Committee further note that there are certain bottlenecks which slowed down the progress of the scheme. These are stated to be (1) the State Governments had not made a survey of the landless workers in rural area, (2) inadequacy of present norm of Rs. 150 for development per site due to rise in cost of development, and (3) inadequate machinery to implement the scheme. The Committee would like the Government to analyse in detail the reasons for slow progress of the scheme and take remedial measures expeditiously so as to accelerate its implementation.

4.57. The Committee further note that the Conference of the State Ministers of Housing and Urban Development held at Bhopal in October, 1975 has made a number of recommendations such as (i) allottees be given actual possession of sites (ii) scope of the scheme be extended to all landless workers, artisans, fishermen etc. (iii) present ceiling of Rs. 150 be raised, etc. The Committee would like the Government to take decision on these recommendations expeditiously so that the implementation of the scheme is expedited.

CHAPTER V

URBANISATION

A. Urbanisation Policy

Urban population in India has grown considerably in the recent decades. It has nearly doubled from 62 million in 1951 to 120 million in 1974 and ranks today the third largest in the world. Even on the basis of a very conservative estimate India's urban population is expected to reach over 278 million by 2001 A.D. Thus the prospect of the process of urbanisation getting accelerated in the next 25 years, adds a new dimension to the enormous urban problems faced by India.

5.2. Our cities and towns have grown, expanded and have changed their character. The number of cities and towns have also increased substantially in the last decade. The growth of cities and towns has neither been uniform nor balanced. There has been heavy concentration of urban population in large cities which are facing the pressures of ever increasing population while small towns have actually suffered a loss of population.

5.3. The concentration of industries in metropolitan and large cities has given rise to innumerable problems such as acute congestion, traffic and transport bottlenecks and several shortage of essential services and housing. The availability of urban land and housing is scarce, specially for the poor, who subsist below the poverty line. In spite of this immigrants continue to flow into cities. The prevalence of better employment opportunities, better services, and amenities in the cities, compared to small towns and rural areas has tended to accentuate the flow of immigrants. The local administrative set up with their limited financial resources, have not been able to provide for a corresponding expansion in the essential services and amenities. Consequently, the quality of life in cities and large towns has deteriorated and the conditions of living there have assumed crisis proportions.

5.4. About urbanisation, a UN study has stated:

"Rapid urbanization has led to poor or makeshift housing, lack of sanitation, inadequate transportation, insufficient schooling facilities and social tensions, all of which slow

the pace of economic development by retarding growth of labour productivity. The disciplined work force required for expansion of industrial and commercial activities does not develop in an environment where parasitic diseases are endemic, where transportation is unreliable, where new city dwellers tend to be disoriented, and where workers do not possess the rediments of basic education. Hence, investment in facilities for human settlements is needed to optimize the total economic and social return on other investments."

5.5. The Conferences of Ministers for Housing and Urban Development have expressed their serious concern regarding the urbanisation trends and the magnitude of problems created by them on several occasions. They have stressed the need for a national policy and programme to contain direct urbanisation in the country.

5.6. The Conference of Ministers of Housing and Urban Development held in 1974 at Madras reiterated the urgent need to bring about a change in the pattern of urbanisation that has been taking place in the country so as to achieve a balanced distribution of population in cities and towns of different sizes. The Conference also urged that a national urbanisation policy and urban development perspective be formulated as urgently as possible as a long term policy measure and to this end recommended that the Union Ministry of Works and Housing may set up a high level committee to work out the components of such a policy and the measures to be employed in implementing the same.

5.7. In pursuance of this recommendation, the Central Town and Country Planning Organisation, prepared an Approach Paper on the "National Urbanisation Policy". This paper was circulated amongst experts drawn from various disciplines. A meeting of the Expert Group was held in Delhi on 28th January, 1975 at which the Approach Paper as also a Draft Resolution on National Urbanisation Policy were discussed. The Expert Group being concerned with the lack of attention to the Urban problems, stressed the need for a more rational and equitable approach in guiding future urbanisation trends, and urged the Government to pass a National Urbanisation Policy Resolution which clearly defined the goals and objectives, provided for the necessary administrative, technical, fiscal and other measures to achieve the objectives and which sets apart specifically minimum resources for taking such measures.

5.8. The meeting further urged that a minimum resources commitment should be accepted in the Five Year Plans so that urban problems continued to get the attention that was necessary and of immediate urgency.

5.9. The meeting of experts recommended that the goals and objectives and strategies might be more clearly brought out in the draft resolution in the light of observations made at the meeting.

5.10. As recommended by the Expert Group, the Draft National Urbanisation Policy Resolution was appropriately revised by the Town and Country Planning Organisation.

5.11. The resolution (Appendix VI) was adopted by the Conference of State Ministers of Housing and Urban Development held at Bhopal in October, 1975 with the following modifications:—

- (i) In the preamble, reference to the Prime Minister's 20-point programme in the context of socialisation of urban land may be included.
- (ii) The word 'gradual' and 'progressive' used in the draft resolution might lead to the apprehension that the policy is not comprehensive. These words should be appropriately substituted.
- (iii) The administrative measures may include bringing of the departments concerned with urban development, including local self-government, housing, town and country planning, environmental planning etc., together, so as to ensure better coordination and integration of programmes concerning urban development.
- (iv) Under fiscal measures, the following may be spelt out suitably in more specific terms:—
 - (a) The integrated urban development programmes should be structured so as to be self-financing.
 - (b) The States should create an Urban Development fund to which all profits and surpluses realised under the various programmes, such as housing, land acquisition and development etc., could be credited. This fund can be utilised as revolving fund for financing urban development programmes all over the State. The funds

realised from these sources should not be allowed to go into the general revenues of the State.

- (c) In addition to taxes, such as Urban Land Tax, other measures such as levy of Development Charge. Conversion Fees etc., should be mentioned.
- (d) In the national and State five-year plans, urban development programmes should not be placed under Social Services sector, as urban development has been recognised as one of the major infra-structures for creating employment and providing avenues for profitable investment. If need be, a separate major head for urban development should be created, as has been done for Transport and Power and the subject of housing, water supply, sewerage, land development, metropolitan transport can be brought under this major head of development.
- (e) It may be considered whether additional loan funds made available from lending agencies such as IDA, World Bank etc., could not be placed outside the State Plan ceilings, so that the allocations in the State Plans for various sectors are not affected.
- (v) There should be optimum utilisation of the existing urban land and avoidance of undue encroachments on agricultural land. This view may be suitably incorporated in the Resolution.

5.12. It will be seen from the Appendix that the National Urbanisation Policy aims at the following objectives:—

- (a) Evolving a spatial pattern of economic development and location of a hierarchy of human settlements consistent with the exploitation of the natural and human resources of the region and ensuring functional linkages *interse*;
- (b) Securing the optimum distribution of population between rural and urban settlements within each region and also among the towns of various sizes;
- (c) Bringing about the distribution of economic activities in small and medium size towns and in new growth centres in order to achieve economic growth and improve the quality of life for the future;

- (d) Controlling and where necessary arresting the further growth of metropolitan cities by dispersal of economic activities, legislative measures and establishment of new counter-magnets in the region;
- (e) Providing basic amenities for improving the quality of life in rural and urban areas and reducing gradually the differences between the rural and urban living and bringing about amelioration of the poorer sections in the urban areas, by laying down a National Minimum Needs Programme in order to improve their conditions in regard to housing, water-supply, health, education, etc.”

5.13. Asked about Government's reactions to the resolution, the Secretary of the Ministry of Works and Housing stated during evidence “this is the most significant task to which I have really begun to attach the utmost importance and we are now, at the moment, ready with a draft resolution. We have circulated this to all Ministries who are concerned, i.e., Agriculture, Planning Commission, Science and Technology and Ministry of Energy.”

5.14. It is well known that serious problems have been created by heavy concentration of urban population and industries in metropolitan and large cities and continuous flow of immigrants from rural areas to these cities etc. These have resulted in impoverishment of villages and unbalanced growth of cities, shortage of houses and worsening of social and economic conditions in urban areas, leading to slums and social tensions. The already inadequate essential services of transport, water supply, drainage, power, schools, hospitals etc., also come under heavy strains. It is therefore imperative that a strategy for arresting these trends should be evolved and implemented without delay before the situation becomes unmanageable.

5.15. The Committee note that the question of formulation of a National Urbanisation Policy for a rational and equitable approach in guiding future urbanisation trends, has been engaging the attention of the Government for a long time. This matter has also been highlighted at the Conferences of the State Ministers for Housing and Urban Development. It has been discussed thoroughly in January, 1975 by a Group of Experts drawn from various disciplines. The Committee also note that after all these exercises, a Resolution on this subject has been drafted which has since been circulated to all concerned Ministries i.e., Agriculture, Industry and Civil Supplies, Science and Technology, Energy and Planning Commission. The main objectives of the Resolution on National Urbanisation Policy are to secure optimum distribution of population between rural and

urban settlements, bringing about the distribution of economic activities in small, medium towns and new growth centres, arresting further growth of metropolitan cities by dispersal of economic activities and providing basic amenities like housing, water-supply, health, education etc., for improving the quality of life in rural and urban areas.

5.16. The Committee need hardly emphasise that the problem of urbanisation has to be solved by concerted efforts of the Centre and the States on an urgent footing and would therefore urge Government to finalise the National Policy on Urbanisation as the first step at a very early date, so as to provide clear and specific guidelines for development of urban and rural areas in an integrated and co-ordinated manner. It is of crucial importance that the strategy indicated in the policy resolution should be translated into concrete time bound programmes for meaningful implementation.

5.17. The Committee would like Government to place the National Urbanisation Policy Resolution before the Parliament so as to provide an opportunity to the Members and the public for expression of views.

B. Land acquisition policy

5.18. Land Acquisition and Development Scheme was introduced in 1959 as part of the social housing schemes which are in operation throughout the country. The scheme is now in the State Sector, Central financial assistance for all States Sector Schemes from the beginning of the Fourth Plan is being provided to State Governments in the shape of block loans and block grants without any portion of the assistance being tied to any particular scheme. The State Governments are free to earmark funds for various State Sector Programmes including housing according to the requirements and priorities to determined by them.

5.19. The Land Acquisition and Development Scheme envisages large scale acquisition and development of land to enable the State Governments to make available developed plots at reasonable prices to intending house builders and for providing community facilities. The scheme also helps to stabilise land prices. The progress of land acquisition and development scheme as per information available as on 31st December, 1975 is given in Appendix VII. It will be observed that 17 States have reported progress. The total area sanctioned for acquisition and development exceeds 73,000 acres of which about 28,000 acres have been acquired and about 15,000 acres developed.

5.20. Apart from the above scheme it has been impressed upon the State Governments to pursue vigorously a rational urban land and housing policy. Thus, under the National Capital Region Plan, an urban land policy involving large scale acquisition, development and disposal of land for various purposes has been recommended by the High Powered Board for adoption in the States of Uttar Pradesh, Haryana and Rajasthan. Again, in the Guidelines issued for assistance under the Central Scheme for Integrated Urban Development in metropolitan cities and Areas of National Importance, State Governments have been requested to adopt a rational urban land and housing policy. One of the components of such a policy is large scale acquisition of urbanisable land. Central assistance under the scheme is being provided for programmes of land acquisition and development. This assistance is tied and cannot be diverted for other sectors of development.

5.21. It has been stated that a High Level Committee on urban land acquisition policy has also been set up with the Minister of Works and Housing as Chairman to recommend *inter alia* a suitable urban land acquisition policy by all State Governments to enable them to implement the objectives of social justice among different sections of the urban population.

5.22. Further, in implementation of the Prime Minister's 20 Point Programme, the Urban Land (Ceiling and Regulation) Bill, 1976, has since been passed by Parliament. The Act provides for imposition of a ceiling on vacant land in urban agglomerations, for the acquisition of such land in excess of the ceiling limit and to regulate the construction of new buildings on such land. One of the factors which has motivated the Government to enact the Ceiling Act is the housing problem of economically weaker sections of society and that of the persons of low income group. Asked about the impact of the Ceiling Act, the Secretary of the Ministry of Works and Housing stated during evidence as under:—

“I would say that the Bill is expected to have a very significant impact on the construction of houses for the low income groups. The objective of the Bill is to bring about an equitable distribution of land in the urban agglomerations. I would particularly cite section 21(1) which provides that the excess vacant land with a person will not be treated as excess, if such land is utilised for the construction of dwelling units for the weaker sections of society. Similarly section 23(4) says that the vacant land deemed to have been acquired by the State Government under the Act shall be disposed of by the State

Government to subserve the common good on such terms and conditions as the State Government may deem fit to impose. Section 29 restricts the plinth area of dwelling units. This will have effect in saving building material. There is a kind of socialisation in this concept. Richer people will build smaller houses. These are some of the measures that we have taken and we feel that they would yield positive results in regard to housing for the low income groups."

5.23. The Committee note that the Land Acquisition and Development Scheme which was initially introduced as a central scheme in 1959, is now in the State sector like other social housing schemes. The Committee regret to note the slow progress made in the acquisition and development of land. Only 17 States out of 22 have reported progress since inception of the Scheme. Moreover against a total area of 73,000 acres sanctioned for acquisition and development, 28,000 acres have been acquired and about 15000 acres only have been developed. As availability of land is the first pre-requisite for any housing Programme under the social housing schemes for economically weaker sections of society and other low-income groups, the Committee feel unhappy at the unsatisfactory progress made in the acquisition of land. The main reason for the failure of the Government to tackle the problem of acquisition of land on a large scale and at a reasonable price for housing programmes, may well be due to lack of firm and clear cut policies on urban land and housing, with the result that the States have been following different policies on urban land and housing. The Committee hope that the High Level Committee set up under the Chairmanship of the Minister of Works and Housing will make an indepth study of all these matters and make suitable recommendations in this behalf.

5.24. The Committee welcome the enactment of the Urban Land (Ceiling and Regulation) Act, 1976 which aims at bringing about socialisation of land in urban areas and hope that this measure will enable the State Governments to acquire the excess land in their urban areas for constructing houses in a big way for the people, particularly those belonging to economically weaker sections of society and lower income groups. It is well known that the housing needs of these sections of people have not received due attention so far because of land scarcity, high cost of land and building materials etc.

5.25. The Committee feel that finance for land acquisition should not now pose a great constraint as the price at which the excess land

would be acquired has already been specified in the Act. The Committee need hardly emphasise that Government will have to play a more active role in the implementation of the provisions of the Act and in drawing up an effective plan of action to utilise the land for social purposes and the benefit of the weaker sections of society.

5.26. The Committee further suggest that a meaningful monitoring system may be devised to collect information regarding the acquisition of land under the Act and the purposes for which it has been utilised so that suitable guidelines may be provided at the earliest for the utilisation of the land for the intended purposes.

C. Regional Planning

5.27. The experience in dealing with Housing and Urban development problems in the last two decades has clearly indicated that in addition to the Development plans or Master Plans for cities and towns within which housing or urban development programmes can be framed it is also necessary to have a regional plan as a broad policy guide in orienting the urban development programmes appropriately for each area. The need for such regional plans has also been felt from the point of view of evolving a development strategy by which the pressure of immigrating population on the larger cities could be reduced and simultaneously the growth of small and medium size cities and towns to which these populations could be directed, could be encouraged where they could be provided employment and reasonable standards of living. This realisation led to the evolution of metropolitan regional plans, which identified alternative urban centres located within 50 or 60 miles away from the metropolitan city where industrial and other developments could be promoted to attract the population. Instances of such regional plans are the plan for the National Capital Region, Bombay Metropolitan Regional Plan and the Basic Development Plan for Calcutta Metropolitan Development and the Plan for the Madras-Chingleput Region.

5.28. These Regional Plans have been so far prepared in the metropolitan context only. However, it is apparent that growth of large cities are caused not only by population migrating from the nearby areas but also from far away areas. It is therefore, necessary to encourage the growth and location of cities at much longer distances, say 150 or 200 miles from the metropolitan cities. To identify such centres and to evolve appropriate development strategies the formulation of regional plans has to be undertaken so that potentials of growth could be determined and exploited.

5.29. The Conference of State Ministers of Housing and Urban Development held at Bhopal in 1975 has urged the Central Government to prepare outline regional plans for various regions of the country with a view to enabling the State Governments to prepare and implement State and Sub-State regional plans. Such plans should be fully integrated with the economic plans of development under the Five Year Plans.

5.30. In an article "Americans on the Move" in the *Times Weekly* of New York it has been stated:—

"Where once Americans thronged the big cities and their immediate suburbs in search of jobs, education and excitement, they are now moving to smaller cities and towns. Between 1970 and 1974, over 1.7 million more Americans left the big metropolitan areas than moved into them. Through migration, the New York area alone lost half a million people more than it gained; similarly Chicago has lost a quarter a million. Of the 16 metropolitan areas that have more than 2 million people each, eight have lost population since 1970."

5.31. In Paragraph 6.35 of their 37th Report (1972-73), the Estimates Committee had suggested preparation of comprehensive plans to provide opportunities of employment in smaller cities and towns and keeping the population in bigger cities within manageable and specified limits so as to avoid the growth of slum conditions. Government in an action taken note have stated that State Governments have to prepare regional plans, district plans and plans for backward areas etc. to even out inequalities of development and that Tamil Nadu, Andhra Pradesh and Kerala have taken up regional plans. Asked to state the position with regard to other States and whether there was any time-bound programme for implementation, the Secretary of Ministry of Works and Housing, during evidence, stated:

"Various States are now engaged in developing regional plans. Additionally we have also taken up a proposal for the preparation of regional plans at macro-level i.e. at a higher level; and for this purpose, the Town and Country Planning Organisation in my Ministry has been entrusted with this task, in cooperation with the various State Governments. I hope that very soon, these plans will become available and that we would also have district plans, regional plans, etc. which the State Governments themselves will be doing, in which there is also an

element of urban development, as also an element of rural development. As such, we could take an overall view of these things. I think we would be able to arrive at appropriate solutions to the problem of urban development. There is no timebound programme. It is also only because the Centre is not directly responsible. We have left it to the State Governments."

5.32. As regards the ring towns under the National Capital Region Plan, a provision of Rs. 20 crores has been made in the draft Fifth Plan.

5.33. Asked about the assessment made of the availability of office and residential accommodation in the ring towns which form part of the National Capital Region, the Ministry has indicated the position as under:—

"The National Capital Regional Plan has identified the following 18 towns as having excellent growth potential:—

Uttar Pradesh

- (1) Meerut
- (2) Hapur
- (3) Bulandshahr
- (4) Khurja
- (5) Sikandrabad
- (6) Ghaziabad
- (7) Modinagar

Haryana

- (8) Rohtak
- (9) Panipat
- (10) Faridabad-Ballabhgarh
- (11) Sonapat
- (12) Gurgaon
- (13) Rewari
- (14) Palwal
- (15) Bahadurgarh

Rajasthan

- (16) Alwar

(17) **Khairtal**

Delhi

(18) **Narela.**

The towns of Meerut, Gurgaon, and Alwar have been identified for priority development. Other towns are to be taken up for development in subsequent years.

The infrastructure facilities available in the towns of Meerut, Gurgaon and Alwar as well as Faridabad-Ballabgarh and Ghaziabad were assessed by the Town and Country Planning Organisation. It was found that none of these towns has any extra office accommodation or residential units available for any new office that may be moved into these towns. The Study further revealed that infrastructure facilities are also not adequate."

5.34. During their visit to the ring towns of Gurgaon and Faridabad during February, 1976 the Committee were informed by the representatives of the Haryana Government that as the decentralisation of trade and official activities were not being done by the Centre as envisaged in the National Capital Region Plan, building activity in the Gurgaon and Faridabad towns has almost come to a stand still. Against allocation of Rs. 20 crores for the development of Rings Rs. 1.5 crores were provided in the Budget for 1974-75 which was reduced to Rs. 36 lakhs out of which the State Government of Haryana got a share of Rs. 10 lakhs for the year 1974-75, and the allocation was released only on the 31st March, 1975. Allocation for the year 1975-76 had not yet been released by the Centre.

5.35. About development of 18 towns under National Capital Region Plan an eminent Town and Country Planner in a memorandum submitted to the Committee has expressed his views that "the development of these towns is very much dependent upon the interest which the concerned State Governments are prepared to take and the investment which they are prepared to make in these towns. As the concerned States have their own priorities, the regional towns may or may not get necessary attention. The provision of Rs. 20 crores made available for the National Capital Region in the draft Fifth Plan is very small and will not go a long way in developing the alternate centres. It would be desirable to set up an inter-State development authority such as National Capital Regional Commission which can undertake the development of the National Capital Region according to a proper time-space programme. Such an authority will also be able to mobilise resources from the effect of the over-spill of the growth of Delhi and use it for purposes of development of the Region....."

5.36. It has been stated by an eminent architect in his evidence before the Committee that the present structure of the city suits only the rich and that decisive action is required to restructure the city by undertaking a large scale programme of shifting of offices and establishments from the congested parts to new areas which should be developed. Asked about the extent to which shifting of offices|establishments, particularly from metropolitan cities, has been effected in pursuance of a definite policy, the Ministry of Works and Housing in a written note have stated:

“Shifting of offices etc. particularly from metropolitan cities is necessarily a time consuming process in view of the links already established by the offices and their employees with the city where the offices are located. However, attempts at shifting the offices are continuing. Before the offices are shifted to alternative locations, adequate facilities have to be provided in the latter for the efficient functioning of the offices and to meet the housing and other social needs of the employees. This process is also long drawn out. One of the objectives of the scheme of integrated urban development is to develop counter magnets to large cities and Central assistance is provided under the scheme for new area development also. To disperse economic activities from Delhi, a Working Group has been set up with Secretary, Ministry of Works and Housing as Chairman to advise on the specific activities in the capital which can be decentralised and also assess the facilities available in the Ring Towns around Delhi to accommodate such activities. Meanwhile, attempts are being made to disperse offices from the congested area of Central Delhi to alternative commercial centres away from the Central core.”

5.37. In another note from the Ministry it has been stated that the following Central Government offices and public sector undertakings were shifted outside Delhi during the last five years as a result of Government policy:—

Central Government offices

- (i) Airborne Mineral Survey and Exploration shifted to Bangalore in June, 1973.
- (ii) Chambal Control Board shifted to Kota in September, 1973.

Public Sector Undertakings

- (i) Bharat Pumps and Compressors Ltd., shifted to Allahabad in August, 1972, and
- (ii) Hindustan Latex Ltd. shifted to Trivandrum in May, 1974.

5.38. Regarding development of Satellite towns the Secretary of the Ministry of Works and Housing stated during the evidence that "today the concept is of a complete township with avocations for people, educational facilities, hospitals, etc. developed." Elaborating this, the Ministry in a written note have furnished the following information:—

"As per information available with this Ministry, the following measures/proposals for development of satellite townships are under implementation:—

- (i) *Calcutta*: Three satellite towns close to Calcutta are being developed. The first one is to the West of Howrah, called the Kona township and this will be developed as a fully self-contained town for a population of about 3 lakhs accommodating industries, transport terminals, warehousing, some of which will be shifted from Calcutta and Howraha cities. The second satellite township is at Saltlake area where a fully self-contained town for a population of 4 lakhs is proposed to be developed with special emphasis on developing office and administrative functions. Some of the Government offices are anticipated to shift to this area. The third satellite town will be to the east of Calcutta close to the present urban area where land to the extent of 6000 acres is available. It is proposed to develop a fully self-contained township for 3 lakhs people with all amenities, industrial locations, to which some of the industries in the congested part of Calcutta can be shifted. In the second phase of development of satellite towns, satellite townships at Barrackpur-Serampore, Naihati and Kalayani-Banasberia are to be taken up.

The Government of West Bengal have also drawn up plans for development of Haldia Industrial Urban Complex, Durgapur and Asansol.

- (ii) *Bombay*: New Bombay across the Harbour is being developed. Nearly 40,899 acres of private land from 95

villages in Thana, Panvel and Urban tehsils have been notified by the State Government for acquisition under Section 4 of the Land Acquisition Act. Vashi in New Bombay is being developed to provide for a population of 50,000 initially and 1 lakh eventually. 1598 houses, 100 shops and 24 stalls have been completed by 31-1-1976. Construction of 285 'sites and services' units and 839 row houses have been planned for the current working season. A hospital, school and community centre have been completed. General services such as post offices, milk distribution centres etc. are functioning. Land is being developed to provide facilities for storage, marketing and processing of agricultural produce etc. at Turbhe.

The Government of Maharashtra are contemplating development of Bhiwandi and Kalyan Urban Complex as other satellite townships.

- (iii) *Madras*: The Government of Tamil Nadu have taken up the development of a satellite town in Marai Malai Nagar at a distance of about 43 kilometers from the city. Development work in all sectors are taking place to ensure integrated development in the town. Laying of water supply pipes, sewerage mains and construction of functional buildings are being taken up.

In addition to Marai Malai Nagar, the Government of Tamil Nadu have contemplated development of two other satellite towns namely Gummidipoondi and Tiruvellore."

5.39. The Committee consider that the formulation of the Regional Plans viz., the National Capital Region Plan, Bombay, Metropolitan Regional Plan, the Basic Development Plan, Calcutta Metropolitan Development and the Plan for the Madras-Chinglepet Region, is a step in the right direction. They would, however, stress that there is need for concerted follow-up action for the implementation of these Plans according to well laid down priorities and time-bound programmes.

5.40. The Committee are distressed to note that the National Capital Region Plan which was conceived several years ago has not made much headway in the deflection of the population of Delhi to the ring towns which are required to be developed suitably for the purpose. It has been brought to the notices of the Committee during their visit to Gurgaon and Faridabad ring towns in February, 1976 that as the decentralisation of trade and official activities were not

being done by the Centre as envisaged in the National Capital Region Plan, building activity in Gurgaon and Faridabad has almost come to a standstill. The Committee are concerned to learn that even the funds earmarked in the draft Fifth Plan for the National Capital Region have not been released according to schedule. As against an allocation of Rs. 20 crores made in the draft Plan, the Haryana Government have received Rs. 10 lakhs only for the year 1974-75 and that too on the last day i.e. 31st March, 1975. Allocation for the year 1975-76 has been released till February, 1976. The Committee need hardly point out that the project has not been given the close attention that it deserved to speed up the development of the region.

5.41. As regards shifting of the offices/establishment to the ring towns of National Capital Region, the Committee are distressed at the lack of progress made in this regard. In this connection, the Committee would like to draw the attention of Government to the recommendation made in their 74th Report (1974-75) wherein it has been pointed out that "although it is the policy of Government since 1948 to shift offices outside Delhi with a view to relieving congestion both in the matter of office and residential accommodation as also to relieve excessive pressure on land and various civic amenities in the Capital and that no new office of the Central Government or semi-Government organisation can be opened or shifted to Delhi without the express approval of the Cabinet, there has been no worthwhile progress in the implementation of the policy". The Committee had further emphasised "the need to shift offices outside Delhi and other Metropolitan towns, not only in the interest of relieving congestion from these over-saturated cities of population but also to give a fillip to the development of ring towns". The Committee urge that in order to relieve the congestion as also to reduce pressure on civic amenities in the Metropolitan cities, it is high time that Government should identify at a very early date such offices as can be shifted from Delhi and other metropolitan cities and take concerted follow-up action to shift them according to a time-bound programme. It need hardly be pointed out that the example in this regard has to be set up by the Government themselves, if congestion in cities is to be reduced.

5.42. As regards other cities, the Committee consider that there is need that growth potential of the existing small and medium towns is fully explored so that new centres of growth are developed in the region to serve as counter magnets to wean the population from larger cities. The Committee may point out that even in advanced countries, like U.S.A. there is a growing trend to move

from the larger over-crowded cities to smaller cities and towns. As reported in the press, between 1970 and 1974, over 1.7 million more Americans left the big metropolitan areas than moved into there. Out of the 16 metropolitan areas with more than 2 million people each, eight are reported to have lost population since 1970. The Committee need hardly emphasise that while planning the new growth centres, care may be taken to ensure that the planning is on sound lines and that infra-structure and basic amenities are fully provided for and that there is sufficient margin for an orderly expansion and growth in the years to come.

D. Central schemes for integrated development of Metropolitan cities, small and medium sized cities/towns and areas of national importance

5.43. The draft Fifth Five Year Plan envisages a new Central Sector programme for implementation of urban development projects of national importance and stipulates financial assistance to the State Governments/Union Territories to supplement their efforts in this direction, so as to obtain maximum benefits from this supplementary assistance. The Plan provides a sum of Rs. 71.08 crores for urban development projects to be undertaken by the State and Union Territories. In order to catalyse desirable activities and for giving extra financial assistance for metropolitan development and projects of national importance, including development of small and medium sized towns and new growth centres, the plan also provides a sum of Rs. 230 crores in the Central Sector, excluding Rs. 20 crores set apart for the development of National Capital Region. The emphasis is on the States identifying the urban areas to be developed to receive the migrating rural population in future on the basis of specific regional planning and preparing detailed perspective plans for the development of small and medium sized cities including new growth centres. Also the emphasis is on comprehensive development plans for the metropolitan cities to improve and augment the existing services and evolution of policies to arrest, to the extent possible, the growth of population.

5.44. The Conference of State Ministers of Housing and Urban Development held at Madras in 1974 after considering the main features of the scheme for Integrated Development of Metropolitan cities and Areas of National Importance made the following recommendations:

- (1) In the Fifth Plan adequate provision both for seed capital and specific projects for integrated urban development should be made available for development of metropolitan

cities, State capitals, major towns and other important growth centres (areas) which are of national importance and must receive national recognition.

- (2) For such cities and towns development authorities with sufficient powers to plan and execute the various urban development projects on the same lines as metropolitan authorities be established by various State Governments forthwith.
- (3) There is an urgent need for enacting urban Planning Legislation, with provisions for not only the preparation of development plans but also for implementing them expeditiously. For this purpose the Conference requested the Government of India to draft a model Bill which may provide necessary powers to the State to prevent the ills in the wake of rapid urbanisation and to expedite the planned development of different sections of urban areas.

Subsequently, the following guidelines were laid down for the State Governments:

- (i) The State Governments should have an integrated plan for the development of the city as well as specific projects for financing.
- (ii) A comprehensive Town and Country Planning legislation should be enacted.
- (iii) Statutory Planning and Development Authority should be set up with adequate powers for planning, coordinating, implementing, funding and supervising the programmes.
- (iv) The State Governments, particularly those getting assistance for Metropolitan areas, should accept and adopt a policy of dispersal of industries and other economic activities from Metropolitan areas to smaller growth centres.

5.45. During the year 1974-75, the Central Government sanctioned assistance worth Rs. 14.51 crores for the projects of Calcutta, Madras Ludhiana, Indore and Bhopal. No other schemes were received by the Central Government for consideration from any other States.

5.46. Asked if any State Governments had expressed any difficulties in formulation of suitable projects for Central assistance, the Ministry of Works and Housing informed the Committee that "many State Governments had emphasised difficulty in formulating inte-

grating urban Development Projects, particularly on account of lack of experience of their personnel in preparing such integrated projects." To overcome this difficulty, the Town and Country Planning Organisation, with the assistance of the Centre of Urban Studies, Indian Institute of Public Administration, organised a workshop in August, 1975 to build the expertise required and to enable officers of the State Governments to formulate suitable projects. It is stated that two more workshops are proposed to be organised this year.

5.47. In reply to a question, the Committee were further informed that "some of the States have not been able to fulfil all the conditions for assistance, such as the setting up of Development Authorities, enactment of Town and Country Planning Legislation, disposal of land on lease-held basis etc. A total view of the programme is, however, taken and central assistance made available so that development programmes are not held up and in the expectation that the deficiencies will be remedied as early as possible by the State Governments".

5.48. During the year 1975-76, a sum of Rs. 20 crores has been earmarked under the scheme. Asked about the number of State Governments who applied for Central assistance under the scheme during 1975-76 and the criteria adopted for such assistance, the Ministry have stated:—

"Generally, requests for Central assistance cover projects such as those for infra-structure facilities like water supply, sewerage and roads, besides area development. In the case of major cities, Central assistance is provided for programmes of land acquisition and development as well as for critical projects such as those for water supply, sewerage, roads etc. to ameliorate the living conditions of the population. In the case of smaller cities, Central assistance is generally limited to providing seed capital for programmes of land acquisition and development with the object of creating adequate surplus to generate further development activities. The pattern laid down for assistance is that the programme should be primarily financed by the internal resources of the implementing authorities and resources provided by the State Governments. Central assistance is intended only to supplement and strengthen such resources and may be in the form of seed capital for a programme of land acquisition and development. Central assistance is also made available for execution of integrated urban development projects but the assistance provided for this purpose will be upto 1/3rd of the funds

required for the project in the case of metropolitan cities and upto 1/2 of the funds required for projects in so far as smaller cities are concerned, the balance being found by the State Governments."

5.49. Asked whether the scheme has been extended to cities and towns of less than 3 lakh population, as recommended by the Conference of State Ministers of Housing and Urban Development held in October, 1975 at Bhopal, the Ministry of Works and Housing in a written note furnished to the Committee stated:—

"There are forty-four cities with a population of three lakhs and above as per 1971 census. The total number of cities and towns with a population of less than three lakhs is 3077 as per 1971 census. Even if central assistance of the order of Rs. 1 crore per city is proposed to be allotted, during the entire Fifth Plan period (it will be a conservative estimate of the requirements), the resources required will amount to more than Rs. 3000 crores, which it is felt cannot be mobilised for this purpose in the present situation of financial stringency.

It is felt that instead of spreading the limited amount available thinly among too many cities it would be a better strategy to concentrate on the urban development programmes of a limited number of large, medium and small towns as already provided under the Scheme. Further, the present indications are that the full amount of Rs. 250 crores, as recommended in the draft Fifth Plan, may not be available for this programme on account of financial limitations."

5.50. **The Committee note that the draft Fifth Five Year Plan envisages a new Central Sector Programme for implementation of urban development projects of National Importance and stipulates financial assistance to the State Governments to supplement their efforts in this direction, so as to obtain maximum benefits from this supplementary assistance. The Committee note that for Central assistance under the Scheme for Integrated Development of Metropolitan Cities and Areas of National Importance Government have laid down the following guidelines— ..**

- (i) **The State Governments should have an integrated plan for the development of the city as well as specific projects for financing;**
- (ii) **A comprehensive Town and Country Planning Legislation should be enacted;**

- (iii) **Statutory Planning and Development Authority should be set up with adequate powers for planning, coordinating, implementing, funding and supervising the programmes;**
- (iv) **The State Governments particularly those getting assistance for Metropolitan areas should accept and adopt a policy of dispersal of industries and other economic activities from Metropolitan areas to smaller growth centres.**

5.51. The Committee note that during 1974-75, the first year of the Fifth Plan, only 5 cities viz., Calcutta, Madras, Ludhiana, Indore and Bhopal availed of the assistance under the Scheme and many other States had emphasised difficulty in formulating integrated urban development projects particularly on account of lack of experience of their personnel in preparing such projects.

5.52. The Committee are surprised to note that the Scheme was introduced without ensuring proper machinery and expertise for formulation and execution of projects under the Scheme. The Committee are informed that now some workshops have been organised for imparting training to State officers to build up necessary expertise for formulation of suitable projects under the Scheme. The Committee feel that in addition to the training of State officers in the workshops, it will be of great help to the State Governments if the Centre extends help and makes available expertise as required to the States in the formulation of the projects/schemes.

5.53. The Committee would also like to emphasise that a time-bound programme may be prepared to cover the remaining cities with a population of 3 lakhs and above in the first instance. In the light of the experience gained, the schemes may be considered for extension to cities with one lakh population. It would be desirable if suitable guidelines are provided for the development of these cities, which should take into account the potentiality of population growth over a period of time and makes provision for a modular type of growth.

E. Task Force on Housing and Development of small and medium cities and towns

5.54. It has been stated by Government that a Task Force on Housing and Development of medium and small towns and cities has been set up to concentrate on the policy approach programme content's and administrative, financial and legislative aspects of the implementation of programme of urban development.

5.55. The composition of the Task Force is as follows:—

1. Prof. Bijit Ghosh, School of Planning and Architecture, New Delhi—*Convener*
2. Prof. Deva Raj, Former Director, Central of Urban Studies, Indian Institute of Public Administration, New Delhi—*Member*
3. Prof. Girijapati Mukerji, Former Chairman, Town and Country Planning Organisation, New Delhi—*Member*
4. Shri R. Gopaldaswamy, Joint Secretary, Minister of Works & Housing and Chairman, Town and Country Planning Organisation, New Delhi.

5.56. The terms of reference of the Task Force are the following:—

- (i) To generally assess the pattern of evolution of towns and cities since Independence.
- (ii) To examine laws relating to local administration and urban development and to suggest suitable modifications to these laws keeping in view the need to assist in the planned growth of small and medium towns.
- (iii) To formulate guidelines and regulations relating to matters such as zoning, setbacks, building control and such other relevant matters.

5.57. The Task Force started functioning from November, 1975. Based on the criteria of population, growth rate, functional classification, topology etc. 60 towns with different population ranges have been selected, out of which 40 towns, will be restricted for study. Out of these 40 towns, 8 towns will be taken up for detailed case studies on specific aspects. Questionnaires designed to provide an overview of the situation has been sent to the various State Governments. The replies to these questionnaires are expected by March, 1976. Arrangements are also stated to have been made with the Registrar General of India, the National Atlas Organisation and the Indian Standards Institution to collect and compile information on specific fields for study by the Task Force. These include, town maps giving land use, transportation routes and building bye-laws of towns selected for study. The Task Force is presently engaged in collecting and compiling information available from the secondary sources. It has been stated that the members of the Task Force propose to visit selected towns sometime in April, 1976.

5.58. The Committee note that Government have constituted a Task Force on Housing and Development of medium and small towns and cities in November 1975 to (i) assess the pattern of evolution of towns and cities since Independence; (ii) suggest suitable modifications to the laws relating to local administration and urban development in order to assist in the planned growth of small and medium towns; and (iii) formulate guidelines and regulations relating to matters such as zoning, set backs, building controls etc. The Committee would like the Government to ensure that the Task Force completes its studies within a specified time schedule so that the results of the studies are utilised for drawing future policies and programmes for an integrated development of medium and small towns.

CHAPTER VI

FINANCES FOR HOUSING

A. Housing and Urban Development Corporation Ltd.

In order to centralise financing efforts in the field of housing, the Housing and Urban Development Corporation Limited (HUDCO) was set up by the Government on the 25th April, 1970. The main objects for which the Corporation is established are:—

- (1) To finance or undertake housing and urban development programme in the country;
- (2) To finance or undertake, wholly or partly the setting up of new or satellite towns;
- (3) To subscribe to the debentures and bonds to be issued by the State Housing and/or Urban Development Boards, Improvement Trusts, Development Authorities etc., specifically for the purpose of financing housing and urban development programmes.
- (4) To finance or undertake the setting up of building material industries; and
- (5) To administer the moneys received, from time to time, from the Government of India and other sources as grants or otherwise for the purposes of financing or undertaking housing and urban development programmes in the country.

6.2. It has been stated by Government that HUDCO started its effective working from the middle of 1971. Since its inception, schemes for financial assistance have been received by HUDCO from 18 States and 3 Union Territories. The table below indicates the number of schemes received/sanctioned by HUDCO, the number of dwelling units involved and the estimated population benefited by the projects:

(i) No. of schemes received	695
(ii) No. of schemes sanctioned	289
(iii) No. of schemes withdrawn	201

(iv) No. of cities/towns involved	170
(v) No. of dwelling units	117739
	EWS LIG MIG HIG
	64762 32850 18872 1315
	TOTAL
	117739
(vi) Residential Plots	18264
(vii) Estimated population benefited	148023

6.3. HUDCO's main borrowers are the State Housing Boards to whose share fall 60 per cent of the total loan sanctions. Another 24 per cent of the sanctions have gone to the Development Authorities and Improvement Trusts. Other beneficiaries of HUDCO's financial assistance are Municipal Corporations, Public Sector Undertaking and Universities.

The table below gives the break up—

Agency-wise loan sanctioned and amount released
as on 21-10-1975

Borrowing Agency	Loan sanctioned	Percentage to total	Amount released	Percentage to total
			(Rs. in lakhs)	
Housing Board	8533.572	60.2	3715.822	59.0
Development Authorities	2136.140	15.1	1129.810	17.9
Improvement Trusts	1196.780	8.5	488.750	7.7
Municipal Corporations	741.770	5.2	424.120	6.7
State Governments	255.908	1.8	125.148	2.0
Public Sector Undertakings	1253.340	8.8	414.270	6.6
Universities	36.670	0.3	4.270	0.1
Cooperative Societies	12.000	0.1	..	..
TOTAL	14166.180	100.0	6302.190	100.00

6.4. The Corporation considers any well drawn up scheme from established agencies concerning housing, sites and services, urban development or building material industry subject to the following guidelines:

- (i) The loan application should be accompanied by a resolution of the Board of Directors|Executive Body of the un-

undertaking|organisation authorising the raising of the loan from HUDCO.

- (ii) HUDCO's officers will, as far as possible, inspect the actual side of development and construction before the first loan instalment is released and also subsequently, to ensure that construction is done in accordance with the plans, specifications and programme of the scheme sanctioned.
- (iii) To ensure that the plots developed and flats|houses|buildings constructed do not lie vacant, HUDCO finances only schemes for which there is a ready demand confirmed by a socio-economic/demand survey. The first loan instalment will be released only after the actual receipt of applications covered by deposits of agreed amounts from intending purchasers.
- (iv) HUDCO finances the entire cost of the scheme (fresh expenditure only) in quarterly instalments according to the progress of work. The first instalment is released only after all legal formalities like execution of loan agreement and mortgage deed/government guarantee are completed and the lay outs and designs are approved by HUDCO. The second and subsequent instalments are released according to the progress of work and on proper utilisation of previous advances.
- (v) All the amount realised from the scheme whether by way of deposits, rentals, government subsidies, sale prices or instalments of land and houses are ordinarily to be made over to HUDCO as soon as they are received. The programme of repayment as agreed to in the scheme will be fully adhered to.
- (vi) The borrowing agencies have to satisfy HUDCO that overruns will not occur in terms of cost or time. HUDCO may not agree to a reduction in the physical size of the project to keep the expenditure within the limit prescribed.

6.5. It has been stated by Government that till recently, HUDCO

has been lending, to project agencies at the following interest rates fixed by the Government of India.

For Social Housing Schemes where the housing content for the economically weaker sections (EWS) of society is 25% or more of the total outlay on the project. Preferential rate of interest of 6½% (with ½% rebate for prompt repayment)

For other schemes 8% with ½% rebate for prompt repayment.

6.6. It has been stated that the preferential rate allowed to a composite scheme with an EWS content of at least 25 per cent often resulted in an unintended benefit to persons in income higher than the E.W.S. To eliminate this, and to help underprivileged people substantially, HUDCO has, with the approval of the Government, introduced the following differential interest rate structure—

Category	Gross rate	Rebate for prompt repayment	Net rate
E.W.S. .	5½%	½%	5%
L.I.G. .	7½%	½%	7%
M.I.G. .	9½%	½%	9½%
H.I.G.	11½%	½%	11½%
Commercial	14½%	½%	14%

6.7. To ensure that these low interest rates applicable to the schemes for economically weaker and low income households genuinely benefit the poorest of the poor and to curb the tendency noticed on the part of the construction agencies to plan less and less cheap houses, it has been made obligatory for the borrowing agencies, to keep within the ceiling costs prescribed for each housing category. The 'all inclusive' cost ceilings are: —

For households with an income—	Rs.
below Rs. 350 p. m.	8,000
below Rs. 600 p. m.	18,000
below Rs. 1500 P. m.	42,000
exceeding Rs. 1500	1,00,000

Simultaneously, HUDCO circulated to construction agencies in the country, designs for cheap houses to enable these agencies to submit proposals conforming to these ceilings.

6.8. The present resources available to HUDCO are—

	As on 27-10-1975 (Rs. in crores)
(i) Equity Capital	9.00
(ii) Debentures	21.25
(iii) Loans from the L. I. C.	20.00
(iv) Reserves & Surplus	1.62
	----- 51.87

6.9. It has been stated by Government that "HUDCO has advanced loans of about Rs. 63.02 crores of which Rs. 19.34 crores have since been repaid by the borrowing agencies. The demand for HUDCO's resources has far outstripped the supply, causing an acute shortage of funds. Efforts are, therefore, afoot to secure more resources to meet the current as well as anticipated demand."

6.10. It has been further stated that two important factors which impeded large scale constructions activity were—

- (a) scarcity of building materials; and
- (b) the high cost of construction.

To overcome these difficulties, the Corporation has constantly striven to standardise building components and to encourage the use of cheap and locally available building materials, particularly where they could replace scarce and costly items like cement and steel. To this end, HUDCO's Research and Advisory Committee is stated to have been reviewing the latest construction techniques with a view to recommending them to the construction agencies for adoption. The Corporation also liaised closely with research institutions like the Central Building Research Institute, the Structural Engineering Research Centre and the National Building Organisation to pass on the benefits of their research to the construction agencies. In an effort to translate the results of research into action, an officer of the Central Building Research Institute was associated with each of the Corporation's appraisal teams on their visits to construction agencies. These teams are stated to have helped the agencies prepare their projects for consideration by the Corporation, and association of a C.B.R.I. Officer was intended to incorporate in the several plans the economies possible in construction.

6.11. A competition was also held in the field of low cost urban housing in collaboration with the Hari Om Ashram Trust. The entire were evaluated by a Board of Assessors, which included the President of the Indian Institute of Architects. Four entries were

chosen for prizes, after which the entires were exhibited in New Delhi.

6.12. It has been stated that in order to demonstrate that low cost housing designs evolved by HUDCO are technically sound, a demonstration low cost housing project was undertaken at Agra in collaboration with U.P. Housing and Development Board. According to the preliminary estimates, the construction cost is likely to be around Rs. 4,000 per unit; each unit will have a plinth area of 15.4 sq. m. and will comprise a room with a cooking niche, a toilet and bath. The design is such that it will be possible for its owner to add to his house as the need arises and as he is able to find the resources. A similar project is contemplated at Faridabad (Haryana). The construction of 252 L.I.G. and M.I.G. flats taken up in Calcutta was completed and the flats were handed over to the West Bengal Housing Board for allotment to eligible applicants.

6.13. It will be seen from the table given earlier that out of 695 schemes received by HUDCO, 201 schemes were either withdrawn or not sanctioned. Asked to state reasons for the same, the Ministry of Works and Housing in a written note furnished to the Committee have cited the reasons as under:—

- (i) The land for the project was not in the possession of the applicant.
- (ii) The demand for the houses to be constructed was not assessed.
- (iii) The plinth area for construction of houses for various categories was beyond the norms prescribed by HUDCO.
- (iv) The cost of construction was higher than that prescribed by HUDCO.
- (v) Some of the schemes which sought to provide rental housing to the employees of the public sector undertakings were not sanctioned as the Government had decided that HUDCO should not finance such rental housing schemes.
- (vi) The scheme for housing of police employees submitted by various Police Housing Corporation|State Governments were also not sanctioned because of Government directive not to sanction such schemes.

6.14. Asked about the simplification of procedure regarding submission of applications. It has been stated that "the loan application form has been simplified and Roving Appraisal Teams have

been formed to frequently visit the borrowers in various States to guide them to formulate the schemes complying with HUDCO requirements.

6.15. Asked about the time taken for disposal of an application for loan from HUDCO, the Secretary of the Ministry of Works and Housing informed the Committee during evidence that:—

“It ordinarily takes about 2 to 3 weeks to get an appraisal report on the loan applications. But the actual time taken in sanctioning a scheme would depend very much on how far the applications submitted by these person are completed. Very often, there are some omissions, some irregularities or inaccuracies; and so, they may have to be referred back. So, it may take a longer time. But if the application has been submitted correctly, it does not take more than 2 to 3 weeks. The time ranges from about 15 days in some cases, to about 3 to 4 weeks as an outer limit. Information which is partly defective might have been given; it may have to be redone. We do receive a few complaints from some of the cooperative societies about delays in sanctioning; but when verified, these delays have been found to be due mostly to lack of resources with the HUDCO. There are also certain procedural requirements which have to be gone through. These do lead sometimes to some delays.”

6.16. Asked about distinction in the rate of interest between backward and developed area, bigger and smaller towns, weaker sections of the community as against advanced communities, the representative of HUDCO stated during evidence—

“HUDCO already have a differential rate of interest whereby the poor people get houses at a lower rate of interest, viz., five per cent. I know that even 5 per cent is very high in this country. But we must remember that the interest rate prevailing in the market is very high. Our borrowing rate is 10-1/2 per cent. But we are lending to the poor people at 5 per cent and trying to make up our losses by over-charging the upper classes. As my colleague has already mentioned, we are borrowing from the LIC at 10.5 per cent. But L.I.C. is lending to the cooperatives at something like 7-3/4 per cent. While the cooperatives by and large cater to the middle and lower middle class, HUDCO caters substantially to the poor people. So, there is some case for equalising the interest rates. In that case, it would be possible to reduce the rate of interest.”

6.17. The representative of HUDCO further added—"we are trying to get the interest rate structure rationalised. In fact, a Working Group under a Joint Secretary of the Finance Ministry has recommended that there should be equalisation of interest rates between cooperatives and HUDCO, so far as LIC is concerned. I do not know whether it is going to be accepted."

6.18. About entrusting the responsibility for financing rural housing schemes, the representative of HUDCO stated during evidence that "It has not been given. There is nothing in our charter to prevent us from undertaking the rural housing. The difficulty is that we have not had enough resources even for the urban part of our work. If we are assured of the resources, there will not be any difficulty in going over to rural areas."

6.19. One of the objectives of HUDCO being to finance or undertake, wholly or partly, the setting up of new or satellite towns, the Ministry in note furnished to the Committee stated that it has been done by HUDCO by financing projects in the New Bombay, Yeh-lanka (a new town near Bangalore), Austin Town (near Bangalore) Hubli-Dharwar, Mohali (Chandigarh), Panchkula (Chandigarh) etc.

6.20. The Committee note that the Housing and Urban Development Corporation (HUDCO) was set up in 1970 to co-ordinate the activities of the Government in the field of financing housing and urban development programmes in the country. The Committee also note that the activities of the Corporation are quite broad based as these include setting up new or satellite towns, setting up building material industries, besides financing and undertaking the housing and urban development programmes.

6.21. The Committee further note that out of 695 schemes received by HUDCO since its inception, 289 schemes have been sanctioned, whereas 201 schemes have either been withdrawn or not sanctioned.

6.22. The Committee feel that the number of schemes withdrawn or not sanctioned is on the high side. They consider that the time and energy involved in the processing of such schemes can be saved if the Corporation gives wide publicity to the guidelines which lay down the pre-requisites for submission of schemes for loans so that the schemes are submitted only where they fulfil the conditions. As regards the applications still pending, the Committee see no reasons why such a large number of applications remain pending. The Committee need hardly emphasise that concerted action should

be taken for their quick disposal. The Committee further feel that there is need for streamlining the procedure under which the schemes should be scrutinised at the preliminary stage to see whether they fulfil the conditions for meriting grant of loan so that only those schemes remain on the live register which need final and detailed scrutiny.

6.23. The Committee note that as one of its objectives is to finance or undertake wholly or partly the setting up of satellite towns, the Corporation has been financing the projects in New Bombay, Yehlanka (a new town near Bangalore), Austin Town (near Bangalore), Hubli-Dharwar, Mohali (Chandigarh), Panchkula (Chandigarh) etc. The Committee hope that efforts of HUDCO in this direction will continue in an increasing measures so that a chain of new satellite towns is set up to deflect the over-population of major cities.

6.24. The Committee note that 60 per cent of HUDCO's funds go to State Housing Boards for housing schemes. The Committee consider it of paramount importance that this expenditure is incurred on financing the social housing schemes which are primarily intended for housing the economically weaker sections of society and lower income groups. To achieve this end, the Committee would like the Government to review the position in coordination with HUDCO, State Governments and State Agencies to ensure that the funds are judiciously distributed to the States/housing agencies with reference to the magnitude of housing shortage for EWS and LIC and not on the basis of capacity of the State Governments to prepare and execute the housing schemes.

Housing Boards

6.25. Housing Boards in the States are Statutory bodies set up by the State Governments under their own enactments. The area of operation of these Boards and their functions are like-wise determined by the State Government Statutes under which they are established. These Boards receive their funds from the State Governments, Housing Finance Agencies, including Housing and Urban Development Corporation and from market borrowings. Although the detailed functions of these Boards differ from State to State, yet they are, by and large enabled to implement housing programmes both in the urban and rural areas, though their activities are mainly confined to urban areas. The Governments of Gujarat, Haryana, Tamil Nadu and Punjab have, however, set up separate organisations like Rural Housing Boards for undertaking housing programme in rural areas.

6.26. The following are stated to be the advantages for setting up a Housing Board:—

- (i) The Board can unify activities relating to housing, town planning, public health engineering, slum clearance and allied matters by co-opting representatives of the concerned Departments as members;
- (ii) The Board can avoid delays which are inherent in the Government procedures;
- (iii) With a consolidated fund of its own, the Board can avoid lapse of funds not utilised in a financial year. The funds released to the Board can be carried forward by it to the next year, whereas funds allocated to a Government Department lapse if they are not utilised within that year. Again the funds allocated to the Board will be utilised only for housing and not diverted to other developmental programmes;
- (iv) The Board can secure additional resources for housing from the open market by accepting deposits and issuing debentures etc. against the guarantee of the State Government or by mortgaging their own properties;
- (v) The funds made available to or raised by the Board can be made to revolve and thereby enable financing of bigger programmes of housing and land acquisition and development within the available resources;
- (vi) The Board can establish its own brick and lime kilns, sand and stone quarries, timber seasoning and treatment plants, workshops for the manufacture of doors and windows and where necessary, factories for the production of prefabricated building components etc;
- (vii) The Board can also secure loans from the Housing and Urban Development Corporation, established by Ministry of Works and Housing; and
- (viii) Above all, the Board can engage itself in large scale construction activity, especially in housing for the poorer and weaker sections of society and help ownership of houses.

6.27. So far 16 State Governments of Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal and Union Territories of Chandī-

garh, Goa, Daman & Diu and Pondicherry have set up the Housing Boards. The States of Jammu & Kashmir, Manipur, Meghalaya, Nagaland, Tripura and Sikkim have not yet set up Housing Boards. In so far as, the Union Territory of Delhi is concerned the housing programme is being undertaken by the Delhi Development Authority under the Delhi Development Act, 1957.

6.28. The following statement indicates the number of houses sanctioned and completed by the State Housing Boards in various States under various Social Housing Schemes and other programmes:—

Sl. No.	Name of Housing Boards	Year of enactment	No. of houses Completed	Sanctioned/ completed
			Sanctioned	Complete
1	Andhra Pradesh Housing Board . . .	1956	7251	5947
2	Assam State Housing Board	1974	It has started functioning very recently.	
3	Bihar State Housing Board . . .	1971	..	2566
4	Gujarat Housing Board	1961	55387	30422
5	Haryana Housing Board	1971	5000	2000
6	Himachal Pradesh Housing Board . . .	1972	..	..
7	Karnataka State Housing Board	1962	Not furnished	8227
8	Kerala State Housing Board	1971	Not furnished	440
9	Madhya Pradesh Housing Board	1966	46076	31444
10	Maharashtra Housing Board .. .	1948	14268	5364
11	Orissa State Housing Board . . .	1960	510	245
12	Punjab Housing & Development Board	1972	1906	304
13	Rajasthan Housing Board	1970	..	5917
14	Tamil Nadu Housing Board . . .	1961	93210	81742
15	Uttar Pradesh Avas Evam Vikas Parishad	1965	7329	2178
16	West Bengal Housing Board	1972	3180	1488
17	Vidarbha Housing Board . . .	1950	6133	8477
18	Goa, Daman & Diu Housing Board	1968	284	98
19	Pondicherry Housing Board . . .	1973	..	..
	TOTAL		241,034	186,859

6.29. A Housing Board in a memorandum submitted to the Committee has made a number of suggestions with regard to the working etc., of State Housing Boards. These suggestions are:—

- (1) Housing Boards depend on State Government for loan assistance for implementation of the Housing Schemes assigned to it. The activities of the Board are more or less confined to the construction of houses under the Low Income Group and Middle Income Group Housing Schemes for the purpose of sale to the eligible individuals. Disbursement of cash loan to the persons for construction of houses is being implemented by Government through the Collectors and the State Co-operative Housing Corporation. The Housing Schemes such as Village Housing Project Scheme, Rental Housing Scheme, Industrial Housing Scheme, Slum Clearance and Housing Scheme for landless agriculture labourers, are being taken up through various Departments of Government although the Housing Board is interested to be involved in these schemes.
- (2) The State Housing Boards may be provided with adequate financial support to enable them to strengthen their organisational set up in order to undertake Socio-economic survey of the rural and backward areas, Study demand pattern for various types of houses and select suitable sites, and evolve various measures to put up houses at a very reasonable cost within the paying capacity of such people. The Board has also suggested to set up workshops on techniques to reduce the cost of houses. Another method suggested was that all the constructing agencies should switch over the use of lime mortar and such other materials.
- (3) The National Building Organisation and the C.B.R.I., Roorkee may undertake the research works more vigorously about providing cheaper houses and for that purpose undertake some pilot projects for demonstration and guidance of the Housing Boards in the States. The problems of different States are likely to vary due to soil conditions and vagaries of nature.
- (4) The State Housing Board has virtually no technical organisation for planning or advance planning. So far no Architect, no Town Planner has been appointed. The functions of the Housing Commissioner and Secretary of the Board and Chief Accounts Officer are still combined in one functionary.

- (5) The Housing programmes drawn up by the Board has always suffered on account of inordinate delay in getting land. As regards land, major considerations are that land should be available at nominal or cheap rate to keep the sale prices of the houses within the reach of the economically weaker sections, low income group and middle income group people, for whom the schemes are mainly designed.
- (6) Government may issue general instructions to allot Government land to the Housing Board on priority basis for quick formulation and implementation of housing programmes. Land may be given on deferred payment basis and charged for the buildable plots only at concessional rates keeping in view the interest of the low income group and weaker sections. Government should earmark good portion of the land for the Board on priority basis when socialisation of urban land comes into effect.
- (7) The State Government may give guarantee against loan to be obtained from the financing institutions, such as HUDCO, Banks etc. and for raising debenture without charging any guarantee commission.
- (8) There is restriction that the loan assistance by the L.I.C. direct to the Housing Boards is not admissible. The Central Government may remove the current restrictions in order to enable the Housing Boards to avail of the Loan and expand the housing activities for solving the housing problem.
- (9) At present the HUDCO does not provide loan assistance to the Boards for construction of houses under the Rental Housing Schemes for Government employees including low paid employees and police men. The HUDCO may release loan assistance for such Housing Schemes to the Boards.
- (10) It is desirable that a firm decision is taken to meet the entire needs of the building materials of the Housing Boards by direct supply from the producers' own sales agencies at the minimum possible price. The huge difference now existing between the price fixed by the direct sales agencies of the producers and the price quoted by the middle men makes the Government as well as the public undertaking subjects of severe criticism and places the Housing Board and the intending beneficiaries at a disadvantage.

6.30. The Committee note that 16 States and 3 Union Territories have set up Housing Boards under their enactments and that they are the main agencies to implement housing programmes in the States both in the Urban and rural areas, though their activities are largely confined to the urban areas. The Committee also note that Gujarat, Haryana, Tamil Nadu and Punjab States have set up a separate Housing Board for undertaking housing programme in rural areas. The Committee have recommended elsewhere that Government should give more attention to the housing programme in rural areas and that separate Housing Boards for rural areas may be set up in each State. The Committee feel that where due to paucity of resources or other reasons, it is not feasible to do so, the State Governments may consider extending the activities of the existing Housing Boards to the rural areas as well so that this important sector is not neglected in the matter of housing, particularly when under the Prime Minister's 20-Point Programme, all-out efforts are required to be made to make the programme a success.

6.31. It has been brought to the notice of the Committee that certain Housing Boards suffer from various difficulties in the matter of accelerating the construction of houses, particularly for the weaker sections of society and lower income groups—such as, inadequate funds for carrying out socio-economic survey, non-existence of technical organisation for advance planning, delay in getting land, adequacy of loan assistance from financing institutions etc. The Committee would like the Government to go into this matter so as to enable the Housing Boards to work more effectively.

B. L.I.C.'s contribution to housing

6.32. At present, Government funds for housing are mainly supplemented by the Life Insurance Corporation of India. A quantum of the L.I.C.'s loan is placed at the disposal of the Ministry of Works and Housing every year for allocation to the various State Governments for the implementation of the social housing schemes. The L.I.C. has emerged as one of the most important suppliers of long-term credit for housing in India. It makes loans to the Central Government and to the Apex Cooperative Housing Finance Societies for housing purposes. It also extends loans under its own schemes to its policy holders. Although, the L.I.C. are making a contribution in the field of housing by way of loans to State Governments etc., yet the amount which is placed at the disposal of the Ministry of Works and Housing every year for allocation to the State Governments for the implementation of the social housing schemes is so

meagre that it does not help the State Governments to an extent to enable them to undertake housing programmes on a large scale.

6.33. The working group on Housing for the Fourth Five Year Plan have stated in their Report that:—

“Insurance funds are ideally suited for long-term programmes like housing. The savings from premia etc., have some contractual embargoes as only limited funds can be withdrawn from these at a particular time. Though in developing countries like India, Life Insurance is at initial stages, it has a great potential and its assets are likely to rise steadily. However the Life Insurance Corporation's contribution to social housing commenced from the year 1959-60. In the Second Five Year Plan (its last two years only) Rs. 17.15 crores were given for housing schemes. During the Third Plan, a total sum of Rs. 60 crores was drawn by the States from the Life Insurance Corporation. Similarly, in the three years ending 1968-69, the Life Insurance Corporation's contribution has been at the uniform figure of Rs. 12 crores per annum. Thus, till now the Life Insurance Corporation has advanced a sum of Rs. 113.15 crores, which works out to 13.31 per cent of its investible funds amounting to Rs. 1052 crores (in 1966-67). In addition, the Life Insurance Corporation have contributed some amount to Housing Finance Societies and on mortgages of house-properties etc. The overall investment of the Life Insurance Corporation on social housing schemes and other housing programmes, therefore, works out to about 15 per cent of its investible funds against the average of about 40 per cent in many developed countries. In India too, the Life Insurance Corporation's contribution needs to be stepped up to at least Rs. 120 crores in the Fourth Five Year Plan. As a matter of fact, the Life Insurance Corporation was earlier agreeable to step up its contribution for social housing schemes, gradually every year, but has not done so due to various reasons. Investment in housing would, incidentally be in accordance with the preamble of nationalisation which laid down that the Life Insurance Corporation would invest its funds in ventures which further the social advancement of the country.”

6.34. Government have approved the following pattern for the investment of the net additions to the Controlled Fund of the Life Insurance Corporation during the Fifth Plan period.

I. *Investment in the public/cooperative/OYH Sectors :*

(i) Central Government	25%	(Sub-minimum)
(ii) State Government and approved (market) securities	25%	(sub-minimum)
(iii) Investments in the socially oriented sectors, i.e., public/cooperative/OYH sector	25%	
TOTAL :	75%	(minimum)

2. *Other investments :*

(i) Loans against policies with their surrender value	7 to 8 %	
(ii) Investment in immovable properties	2%	(approximately)
(iii) Investments in the private corporate sector	10%	(approximately)
(iv) Amount not available for investment	6%	
TOTAL :	100%	(1+2)

6.35. At present in the formulation of the Annual Plans of the States, it is only Life Insurance Corporation's loans to State Governments for social housing schemes that are reckoned as resources for the Plan. These loans are released by the Life Insurance Corporation according to the allocations made by the Ministry of Works and Housing for the implementation of the following social housing schemes:

- (i) Middle Income Group Housing Schemes.
- (ii) Low Income Group Housing Schemes.
- (iii) Rental Housing Schemes for State Government Employees.
- (iv) Village Housing Project Schemes.
- (v) Land Acquisition and Development Schemes.

6.36. The table below shows the amount or loans Life Insurance Corporation made available to Ministry of Works and Housing for allocation to various State Governments since the Second Five Year Plan.

	(Rs. in crores)
Second Plan	17.14
Third Plan	60.00
During 1966-69	37.00 (The State Governments drew Rs. 10 lakhs only)

Fourth Plan	71.00
During 1974-75	15.39
During 1975-76	17.78

6.37. It will be observed from the above Table that on an average, the Life Insurance Corporation provided to the Ministry of Works and Housing a loan of Rs. 12.00 crores per annum during the Third Five Year Plan and Rs. 14.00 crores per annum during the Fourth Five Year Plan. The amount earmarked for the First 2 years of Fifth Plan *i.e.*, 1974-75 and 1975-76 is Rs. 15.39 crores and 17.78 crores respectively.

6.38. Keeping in view the social objective of the housing programme, the Government of India set up in April 1975 a Working Group to examine the various aspects concerning Life Insurance Corporation's investment in housing.

6.39. The Group submitted its report in December, 1975 and its recommendations are as follows:—

- (i) Since the funds are made available by the LIC from the mainstay of social housing schemes in the country, it should be the endeavour to provide as much funds as possible from the LIC to the housing sector, consistent, however, with the overall Plan priorities. But it may not be feasible or healthy proposition to earmark a specific proportion of LIC's funds for investment in the housing sector. It would be preferable to take a view in regard to the allocation of LIC funds for the housing sector on a year to year basis through discussions between the LIC, Ministry of Works and Housing, Ministry of Finance and the Planning Commission. As for the year 1975-76, the Group recommends that LIC should make available Rs. 53 crores for the Housing sector to the State Governments, HUDCO and the Apex Cooperative Housing Finance Societies.
- (ii) There should be an increasing emphasis on the channelisation of the available funds for the benefit of the Low Income Group and Economically Weaker Sections of the Society. At present, the bulk of LIC's funds for Housing flows to the Apex Cooperative Housing Finance Societies. By and large, these Societies benefit the comparatively well-to-do sections of the society, and further, the flow of funds is confined to a few States with a comparatively strong cooperative structure. Further, because of State Government guarantees, the LIC charges lower rates of

interest on the loans advanced to these societies. On the other hand, the emphasis in the programmes undertaken by the State Housing Boards and HUDCO is in favour of the Low Income Group and the Economically Weaker Sections of the Society. While Cooperative Housing Finance Societies should not be starved of funds, and the setting up of such Societies should be encouraged in all the States, it would be desirable to restrict the flow of funds from the LIC to these Societies by adopting the following principles:—

- (a) The Commitments already in hand with the LIC should be honoured.
- (b) Future commitments should be limited to the financing of societies taking up housing schemes predominantly for Low Income Group and Economically Weaker Sections of the Society. There should be no objection, however, to a limited admixture of the Middle Income Group also, say 25 per cent, for the sake of ensuring the viability of the schemes.

6.40. This would enable a larger flow of funds from the LIC to the State Governments and HUDCO and would thereby facilitate a more equitable distribution of funds amongst the different States.

- (iii) At present LIC is charging interest at the rate of 7½ per cent only from the Apex Cooperative Housing Finance Societies because the loans are Government guaranteed, while the rate of interest charged on the loans to HUDCO is 10.5 per cent. It is understandable that the LIC is not willing to accept Government guarantee in the case of HUDCO as it would affect its interest income. The LIC should gradually get away from Government guarantee in the case of established Housing Finance Societies also, so that it can charge higher rates of interest from them. The rate of interest charged on the loans given to HUDCO can correspondingly be reduced so that in overall terms, there is no reduction in LIC's return from its investments in the Housing sector.

6.41. The Committee note that the Life Insurance Corporation is investing in the socially oriented sectors i.e. public/cooperative OYH sector to the tune of 25 per cent of its investible funds. They also note that L.I.C. has emerged as one of the most important suppliers of long term credit for housing in India and that in the

formulation of the Annual Plans of the States, it is only LIC's loans to State Governments for social housing schemes that are reckoned as resources for the Plan. The Committee also note that the LIC investment on these schemes is progressively increasing every year i.e. from an average of about Rs. 12 crores per annum during the Third Plan, it has risen to Rs. 17.8 crores during 1975-76, the second year of the Fifth Plan.

The Committee note that the Working Group appointed to consider the various aspects of investment of funds of LIC in housing programmes has since submitted its report and has inter alia recommended that the allocation of LIC funds for housing sector may be reviewed from year to year basis through discussions, between the LIC, Ministry of Works and Housing Ministry of Finance and Planning Commission. The Group has recommended an allocation of Rs. 53 crores for the year 1975-76 for housing sector to State Governments, HUDCO and Apex Co-operative Housing Finance Societies.

6.42. The Committee consider it more appropriate if the allocation of funds of LIC to State Governments is made on the basis of certain prescribed percentage of Corporation's accruals so as to avoid delays and uncertainties in such allocations which are likely to occur under the procedure, proposed by the Working Group.

C. Role of Nationalised Banks in the field of Housing

6.43. One source for mobilising adequate funds for financing the housing programme is the investment by the Nationalised Banks. Except in the case of State Bank of India which is prohibited by its Act from extending housing credit to any one, other than its own employees, commercial banks are not legally prevented from advancing housing loans. However, they have not so far entered the housing finance field to any appreciable extent. Recently, a few of the Banks have introduced some housing finance schemes.

6.44. The Working Group on Housing for the Fourth Five Year Plan have stated in their Report that:—

“Besides, financial institutions are by and large, absent from the housing field in India, though in the other developed and developing countries, they are actively participating by investing in it. The usual plea, for example, in the case of commercial banks is that their deposits are of short term nature and, therefore, cannot be invested on long term basis in assets like house properties. It is,

however, felt that all deposits with the commercial banks are not of short term nature and all are not repayable on demand. We also do not favour major participation by the banks in housing but would like to stress that as in other countries, banks should give stimulus to investment in housing by other financial institutions like trusts, insurance companies etc. The Working Group would like the matter to be fully examined by a Commission/Committee of Enquiry."

6.45. The Banking Commission in their report submitted in 1972 have observed that the analysis of some of the schemes reveals that the repayment period required under the schemes is not long enough to suit the convenience of a prospective house owner belonging to the lower or middle income group and the Schemes ordinarily require a borrower to bring in large funds of his own. Urban Co-operative Banks do not also play a significant role in housing finance because they are reluctant to give long-term loans. Nidhis provide loans for housing construction but their operations are limited to certain localities and to their own members. The Banking Commission have accordingly recommended that the commercial banks may give short and medium-term credit to the builders in order to enable them to undertake mass housing construction programmes. To the extent administrative and personnel resources permit, commercial banks may also give credit to individuals desiring to own or construct houses.

6.46. In their 37th Report (Fifth Lok Sabha) the Estimates Committee (1972-73) had also pointed out that banks were not making any significant contribution in financing of housing programmes in the country and the main reasons for this was the absence of re-financing and guarantee facilities for the loans sanctioned for housing. The Estimates Committee accordingly expressed the view that the co-operative banks and other nationalised banks which have now opened branches in most industrial and agricultural areas could play a significant role in meeting the genuine requirements of working persons who are desirous of constructing a house and pay for it in easy instalments.

6.47. The Union Ministry of Finance stated that commercial banks extend financial support for housing programmes mostly through subscriptions to the market borrowings or debentures that may be floated by the State Housing Boards etc., with their increasing commitments to the borrowings of Central and State Governments and their corporate bodies, and to the requirements of the

priority sectors and schemes of high productive significance, the capacity of banks for direct lending to housing programmes is rather limited. Further, having regard to the composition of the demand and time liabilities, the banks are also not in a position to lend directly substantial amounts for the housing schemes, which generally have long gestation periods.

6.48. The Conference of the State Ministers of Housing and Urban Development held at Bhopal in October, 1975 has recommended that "in view of the increasing bank deposits, about 3—5 per cent of these resources should be immediately made available for rural housing programmes."

6.49. With regard to the action taken on the recommendations of the Committee, contained in 37th Report, it was stated by the Government in a noted dated 30-10-1973, furnished to the Committee that "the role of banks in the field of housing is under the consideration of Ministry of Finance on the basis of the Report of the Banking Commission".

6.50. Asked about the present position in this regard, the Secretary of Ministry Works and Housing stated during evidence before the Committee on 2-4-1976 that the Ministry of Finance "have not communicated their decision to us. We have reminded them."

6.51. The Committee note that commercial banks are at present extending financial support for housing programmes, mostly through subscription to market borrowings or debentures that may be floated by the State Housing Boards etc. and that due to increasing commitments to borrowings of Central and State Governments and the requirements of the priority sector and schemes of high production significance, the capacity of banks for direct lending to housing programmes is rather limited. Another reason for not lending substantial amounts for housing directly is that the housing schemes are stated to be having long gestation periods.

6.52. The Committee regret to note that the recommendations of the Banking Commission made in 1972 which inter alia include giving of short and medium term credit to house builders in order to enable them to undertake mass housing construction programmes are still under consideration of Government in spite of the fact that the Committee in their 37th Report (1972-73) stressed the need for early decision in the matter. The Committee are unhappy over Government's taking such a long time in coming to a decision on this vital matter which affects the basic need of human beings. The

Committee consider that apart from the fact that the acquisition of a house adds to an individual's welfare and is a highly coveted asset, the construction of houses helps a chain of ancillary industries and generates employment. It is well known that commercial banks flourish largely on the deposits of common people and as housing serves one of the social need of a common man it is desirable that banks should spare a prescribed percentage of their income and deposits for providing funds for housing, particularly for these belonging to weaker sections of society and lower income groups.

NEW DELHI;
April 28, 1976

Vaisakh 8, 1898 (S)

R. K. SINHA,
Chairman,
Estimates Committee.

APPENDIX I

(Vide Para 2.12)

Statement showing the number of houses/plots/sanctioned/constructed and approved outlay/expenditure incurred by the States/Union Territories under Slum Clearance/Improvement Scheme.

(as in Feb. 1976)

Name of States/U. Ts.	2	3	4	5
No. of houses/Plots Sanctioned	No. of Houses/Plots constructed	Approved Outlay	Expenditure incurred	
I	2	3	4	5
Andhra Pradesh	11,621	7,079	2,94,63,000	2,50,32,000
Bihar	2,300	475	36,35,000	27,29,000
Gujarat	16,150	10,422	N.A.	4,64,95,000
Haryana	74	nil	2,66,710	nil
Himachal Pradesh	nil	nil	nil	nil
Kerala	1,112	655	N.A.	27,59,000
Karnataka	1,201	773	59,40,866	52,38,758
Madhya Pradesh	6,529	4,713	1,78,10,029	1,29,66,245
Maharashtra	37,000	25,661	N.A.	14,75,76,000
Manipur	3	3	25,527	25,527
Meghalaya	nil	nil	nil	nil

Nagaland	.	.	.	nil	nil	nil	nil
Punjab	.	.	.	847	603	28,89,000	25,28,393
Rajasthan	.	.	.	1,593	984	45,60,000	43,57,691
Tamil Nadu	.	.	.	53,539	30,788	22,57,32,000	19,78,00,000
Tripura	.	.	.	60	60	1,93,100	1,98,098
Andaman & Nicobar	.	.	.	nil	nil	3,00,000	nil
Arunachal Pradesh	.	.	.	nil	nil	nil	nil
Chandigarh	.	.	.	1,840	516	72,32,000	14,71,000
Delhi	.	.	.	9,342	10,555	8,14,60,520	7,14,50,000
Goa, Daman & Diu	.	.	.	1,214	1,100	28,43,000	7,05,200
Lakshadweep	.	.	.	nil	nil	nil	nil
Mizoram	.	.	.	nil	nil	nil	nil
Pondicherry	.	.	.	582	128	11,83,000	9,99,000
Uttar Pradesh	.	.	.	10,030	8,349	4,34,00,400	3,86,21,140
Dadra & Nagar Haveli	.	.	.	nil	nil	nil	nil
TOTAL	.	.	.	1,53,842	1,02,864	42,69,33,152	56,09,52,055

APPENDIX II

(Vide Para 2.21)

Statement showing the progress of sanctioned projects and release of funds under the Central Scheme for Environmental Improvements in Slum Areas as on 31st March, 1975.

S. No.	Name of City	No. of Projects approved	Population benefitted	Value of Projects sanctioned	Total amount released in 1972-73 as on 31-3-1974	Amount released in 1973-74 as on 31-3-1974	Expenditure incurred upto 31-3-75 as per Progress reports sent by state Govt.
1	2	3	4	5	6	7	8
1	Calcutta	—	10,00,000	3,33,00,000	3,33,00,000	2,56,00,000	2,40,97,000
2	Bombay	191	4,73,104	4,06,18,530	1,85,10,750	70,72,750	2,39,00,000
3	Delhi	44	3,70,040	2,22,28,138	95,78,000	79,99,500	1,76,94,194
4	Madrās	177	3,30,745	4,10,34,200	1,48,61,000	1,48,55,000	2,84,45,000
5	Hyderabad	73	1,05,111	1,19,34,080	20,35,800	—	86,53,000
6	Ahmedabad	27	23,139	17,61,110	10,90,125	2,10,725	13,92,668
7	Bangalore	66	79,193	80,91,80	39,88,875	32,93,475	75,46,980
8	Kanpur	9	1,57,951	1,46,88,083	1,08,00,000	24,19,000	1,35,32,670
9	Poona	89	1,07,115	1,06,95,945	1,74,000	25,57,000	1,15,000
10	Nagpur	37	1,51,846	1,42,83,893	90,73,198	11,45,000	92,45,000

11 Lucknow	103	1,62,650.	1,38,122,900	54,23,000	69,81,999	1,07,51,981
12 Indore	11	33,207	39,06,600	11,00,000	17,06,000	28,06,000
13 Jaipur	45	62,514	68,81,953	6,22,500	40,34,940	65,15,529
14 Srinagar	4	1,25,955	60,00,000		30,00,000	16,52,000
15 Patna	3	51,440	42,37,000		21,18,000	24,94,726
16 Cochin	1	40,000	38,81,000	..	9,70,000	2,17,042
17 Lu thiana	4	48,387	52,90,640	..	39,66,660	39,66,619
18 Cuttack	3	15,754	16,65,000	..	7,88,000	11,03,600
19 Gauhati	1	6,050	7,26,000	..	1,81,000	..
20 Rohtak	6	20,422	10,00,000	2,07,000	5,82,500	7,97,740
Total	854	33,64,623	24,60,46,352	11,17,64,218	9,05,81,549	

APPENDIX III

(Vide Para 3.20)

Statement of Housing Minister on Housing Policy—1957

A statement on the Housing Policy was for the first time made on the 14th August, 1957, in the Parliament by the then Minister for Works, Housing and Supply, Shri K. C. Reddy. The statement is as follows:—

“It has been recognised that the scope of the current housing schemes had to be enlarged to serve a much larger number of people. It is also recognised that Government will have to subsidize in some cases substantially, the housing meant for industrial workers, the slum dwellers and sweepers whose income is too meagre to enable them to meet the rent of even houses built to the barest minimum specifications and standards. It is clear, however, that since our resources are limited, a priority will have to be given in the matter of subsidy to those whose need is the greatest. There are others whose demand for housing is equally pressing but who could perhaps do without the element of subsidy from Government. To such persons it will be a great help if arrangements could be made to enable them to obtain land and loan-finance to build their own houses or to buy them from Government and Semi-Governmental agencies or to secure them on a rental basis”.

- (ii) In the light of the considerations mentioned above, it is proposed to set up Housing Corporations in the States to provide loan-finance, with the Central Government (and, in some cases, the State Governments) providing the necessary subsidy also. It is intended that these institutions will channelise into housing funds drawn from the private sector as well as banks, investment companies and financial institutions supplemented by funds from the Life Insurance Corporation, the Employees Provident Fund Account etc. The Corporations will give long terms loans on reasonable rates of interest. In this proposed scheme the highest priority would be given to

provide money for the acquisition and development of land to be made available to builders on a "non-profit non-loss" basis. It is also intended that State Governments will be asked to use Government land for the construction of houses meant for the low-income groups as a part of their contribution towards subsidy.

- (iii) Every effort will be made to ensure that the various building agencies including governmental bodies have a flexible approach in the matter of construction specifications so that indigenous building materials are used to the maximum extent possible and there is no undue demand on scarce materials.
- (iv) Realising the growing importance of housing today and the need for clearing the slums, Government has set up in the Ministry of Works, Housing and Supply a Separate Department under a Housing Commissioner, who will be supported by appropriate staff—technical, administrative and financial so that the implementation of the housing schemes proceeds expeditiously and in an efficient manner. It is to be hoped that such of the State Governments as have not set up separate Organisations for housing will do so without delay".

APPENDIX IV

(Vide para 4.3)

Special features of Social Housing

(i) *Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of Community*

1. General

Originally the benefits of this Scheme were restricted to eligible industrial workers only. In April, 1966, the housing programme for economically weaker sections of the community (which was initiated in 1962 as part of the Low Income Group Housing Scheme) was also integrated with the Scheme.

2. Eligibility

(a) *Housing Programme for Industrial Workers*

The following categories of workers, whose wages do not exceed Rs. 350/- p.m. are eligible for the benefits of this programme:—

- (i) Industrial Workers covered by Section 2(1) of the Factories Act, 1948; and
- (ii) Mine workers (other than those engaged in coal, mica and iron ore mines) falling within the meaning of section 2(h) of the Mines Act, 1952.

Financial assistance is, however, not admissible for the housing employees of Central and State Governments, local authorities (including municipal bodies), and of statutory bodies, even though their workers may be covered by the legislative provisions mentioned above. Financial assistance is, however, admissible to Statutory bodies, corporations or companies owned in part or in full by the Central or State Governments for the housing of their eligible workers, if they are liable to income-tax in respect of their earnings or a part thereof.

(b) *Housing Programme for Economically Weaker Sections of the Community*

All persons with income not exceeding Rs. 350/- p.m. are entitled to the allotment of houses under this programme. However, persons

with income between Rs. 251/- to Rs. 350/- p.m. are considered for allotment of houses only after satisfying the requirements of persons with income upto Rs. 250/- p.m.

3. Financial assistance

While houses for industrial workers can be built by State Governments, Statutory Housing Boards and Local Bodies registered cooperative societies run on co-tenancy basis and industrial employers, houses for economically weaker sections of the community can be built only by State Governments, Statutory Housing Boards and Local Bodies. The pattern of financial assistance is indicated below:—

Approved Agency	Loan	Subsidy
(i) State Government's Statutory Housing Boards and Local Bodies	50 per cent	50 per cent
(ii) Registered Co-operative Societies of eligible industrial workers (which are run on co-tenancy basis)	65 per cent	25 per cent
(iii) Employers	50 per cent	25 per cent

} of the approved cost of houses.

NOTE:—In the case of co-operative societies of eligible workers, the balance of 10% which is the worker's own share of the cost, can be drawn by him as a non-refundable advance from his Provident Fund Account.

4. Type of construction

In addition to the construction of pucca houses (small two-roomed and regular two-roomed houses), the State Governments can also provide open developed plots, skeletal houses and hostel and dormitory buildings at lower rents for eligible industrial workers and persons of the economically weaker sections of the community, who cannot pay the rents prescribed for pucca houses.

5. Ceiling costs and standard rents

The current ceiling costs and the standard (subsidised) rents based on 50 per cent of the cost of construction are indicated in the attached schedule. The standards of accommodation, ceiling costs and the subsidised rent are revised from time to time in consideration of the rise in the cost of construction etc.

6. Repayment of loans

Prior to 1969-70, the loans to State Governments were recoverable in 30 years. With the introduction of the system of 'block loans and block grants' from 1969-70 onwards, the loans are repayable by

the State Governments in a period of 15 years. Loans to third parties (Cooperative Societies and Private Employers) are advanced by the Governments of States and Union Territories. The State Governments etc. are responsible for repayment of loans to the Central Government.

7. Retention of houses by allottees on crossing the wage|income limit of Rs. 350/- p.m.

With a view to mitigating the hardships faced by the allottees who have to vacate the accommodation allotted to them on crossing the wage|income limit of Rs. 350|- p.m., they may be permitted to retain the accommodation even after crossing the above limit till he reaches the wage|income limit of Rs. 500 p.m. on payment of certain charges over and above the standard (subsidised) rent.

8. Implementing Authority

Although the Scheme has been formulated by the Government of India, in the Ministry of Works and Housing, it is actually administered by the State Governments in whose territorial jurisdiction the construction of houses is contemplated. The Employers and the Cooperative Societies who want to build houses under the Scheme are to apply for financial assistance to the State Government concerned. The detailed particulars of the Scheme and other information about the requirements to be fulfilled by them may also be obtained from the State Governments.

Schedule of overall ceiling costs and Standard rents effective from the 1st April, 1967

S. No.	Type of accommodation	Overall ceiling cost	Standard rent per month with 50% subsidy
1	2	3	4
		Rs. P.	Rs. P.
I. Outside Bombay and Calcutta and their Industrial Areas			
(i)	Open developed plot.	1850.00	7.00
(ii)	Skeletal house	2900.00	11.50
(iii)	Small two-roomed house (Single storeyed)	4850.00	20.00
(iv)	Small two-roomed house (Double storeyed)	5100.00	21.50

1	2	3	4
(v)	Small two-roomed house (Multi-storeyed)	6750.00	26.00
(vi)	Regular two-roomed house (Double-storeyed)	5600.00	24.00
(vii)	Regular two-roomed house (Double-storeyed)	6150.00	26.00
(viii)	Regular two-roomed house (Multi-storeyed)	8050.00	32.00
II. In Bombay and Calcutta and their Industrial Areas			
(i)	Open developed plot	2800.00	11.50
(ii)	Skeletal house	4250.00	18.50
(iii)	Small two-roomed house (Single-storeyed)	6750.00	31.00
(iv)	Small two-roomed house (Double-storeyed)	7100.00	32.50
(v)	Small two-roomed house (Multi-storeyed)	8450.00	38.00
(vi)	Regular two-roomed house (Single-storeyed)	7750.00	35.00
(vii)	Regular two-roomed house (Double-storeyed)	8400.00	39.00
(viii)	Regular two-roomed house (Multi-storeyed)	10600.00	48.50

SPECIAL PROVISIONS

(A) *Special provisions relating to ceiling costs*

- (i) There will be no distinction between the cost of building and the cost of land, and the overall ceiling cost indicated above will only be applicable.
- (ii) For items 1 (i) to (iv), (vi) and (vii), the overall ceiling costs may be raised by Rs. 1000|- extra per dwelling unit in towns with a population of more than three lakhs and Rs. 450|- extra per dwelling unit in towns where the population is from one to three lakhs.
- (iii) In respect of construction of skeletal and pucca houses in black cotton soil, or reclaimed, or hill areas necessitating deeper and stronger foundations etc. or higher transport costs etc., Rs. 550|- extra per house on the overall ceiling costs may be allowed.
- (iv) The overall ceiling costs in Bombay, Calcutta and other cities will apply not only to the areas within the jurisdiction of their municipal corporations but also to adjoining industrial areas as defined by their State Governments with the approval of the Government of India.

- (v) Within the limits of the Municipal Corporation of Bombay and Calcutta, ordinarily multi-storeyed houses should only be constructed, and other types of accommodation should be resorted to only when justified by special considerations, such as low-bearing capacity of soil, lack of adequate water supply and sewerage facilities, low-rent paying capacity of the workers, difficulty of joint cooperative ownership by workers etc.
- (vi) The financial assistance for construction in Asansol, Durgapur and Kalyani areas will be based on the same ceiling costs, as prescribed for Bombay and Calcutta and their industrial areas.
- (vii) In cases, where the cost of construction of houses exceeds the prescribed ceiling costs, there is no objection to the utilisation of savings from other houses by State Governments, Statutory Housing Boards, and Municipal Bodies for meeting the excess expenditure, provided the houses involved are of the same type, are built in the same town and the construction thereof is simultaneously sanctioned as a part of the same project. Such diversions are not permitted in cases which do not satisfy these conditions.

B. Special provisions relating to Standard rents

- (i) There is no objection to the charging of lower rents.
- (ii) These rents are inclusive of rates and taxes. In case the State Governments succeed in lowering the rates and taxes, the benefit of any such reduction should be passed on to the tenant in the form of lower rents.
- (iii) These rents are exclusive of charges for water and electricity, and for any special services not covered by the normal municipal services.
- (iv) Irrespective of the approved Agency involved the following increase in the rents will be allowed:—
 - (a) Rs. 3.50 p.m. per skeletal/pucca house in Maharashtra and Gujarat States and in Calcutta and its industrial areas;
 - (b) Rs. 4.00 p.m. per dwelling unit corresponding to the *ad hoc* increase of Rs. 1100 and Rs. 1.50 p.m. per dwell-

ling unit corresponding to the *ad hoc* increase of Rs. 450|- mentioned in item (ii) of special provisions relating to the ceiling costs, except in cases already covered by (a) above;

- (c) Rs. 2|- p.m. per dwelling unit corresponding to the *ad hoc* increase of Rs. 550|- mentioned in item (iii) of special provisions relating to the ceiling costs, except in cases already covered by (a) above.
- (v) The standard rents in respect of the dwelling units constructed in Asansol, Durgapur and Kalyani area will be the same, as those prescribed for Bombay, Calcutta and their industrial areas.
- (vi) The State Governments have full discretion to fix varying rents above or below the standard rents prescribed for different types of houses built by them, Statutory Housing Boards and Municipal Bodies, keeping in view the demand for these houses and the rent-paying capacity of the workers. The quantum of capital subsidy payable to the State Governments will, however, in all cases, be limited to the prescribed percentage of the approved cost of the project. The State Governments should also ensure that the excess rent recovered in respect of certain types of houses is wholly applied towards reducing the rent for other types of houses.

C. *Special provisions relating to hostels and dormitories*

The ceiling costs and standard rents per person, applicable to the construction of hostel and dormitory types of accommodation, will be half and two-fifth respectively of those prescribed for corresponding small two-roomed houses in the various towns under the Schemes. In addition to the standard rent, a service charge upto a maximum of Rs. 3.00 p.m. per person may be levied for water, electricity, sanitary facilities etc.

(ii) *Low Income Group Housing Scheme*

The Low Income Group Housing Scheme was introduced in November, 1954. This Scheme is implemented by the State Governments and the Union Territory Administrations. It provides for the grant of the loans to persons, whose income does not exceed Rs. 7,200|- per annum and their Cooperative Societies for the construction of houses for their *bona fide residential use*.

2. The Scheme also provides for the grant of loan assistance to:—

(i) Cooperative Tenancy Societies Working on the principle of collective ownership;

(ii) Public Institutions run on a no-profit no-loss basis;

(iii) Non-Government but recognised—

(a) Health Institutions and Hospitals,

(b) Educational Trusts and Educational Institutions (including Universities), and

(c) Charitable Institutions;

(iv) Local Bodies; and

(v) State Governments, Union Territory Administrations and their designated Agencies, such as Housing Boards etc.,

for the construction of houses which can be sold or given on rent on a no-profit no-loss basis to eligible persons in the low income group. The State Governments may earmark upto 33.1|3 per cent of the houses built by them under the Scheme, for allotment on rental basis to eligible employees of the Central and State Governments.

3. The amount of loan is restricted to 80 per cent of the cost of a house (including the cost of developed land) subject to a maximum of Rs. 14,500|- per house, to individuals, cooperative societies etc. But in the case of construction undertaken by State Governments, Union Territory Administrations, Housing Boards and Local Bodies, loan assistance equivalent to 100 per cent of the cost of construction of a house (including the cost of developed land) is admissible, subject to a ceiling of Rs. 18,000|- per house. The ceiling cost of construction of a house is Rs. 18,000|- (excluding cost of developed land).

4. *Floor Area.*—The accommodation to be provided in each house, built under the Scheme, should not be less than 232 square feet and normally not more than 1,200 square feet of floor area.

5. Loans can also be granted for (i) purchase of new ready built houses from reliable building agencies and (ii) construction of residential portion of the premises which are intended to be used for shop-cum-residential purposes.

6. An advance not exceeding 20 per cent of the approved house-building loan is also admissible to an applicant for the purpose of

completing the purchase of a developed plot of land (for construction of a house), where he has already paid at least 50 per cent of the cost from his own resources. This facility is intended for individuals and their cooperatives only.

(iii) *Subsidised Housing Scheme for Plantation Workers*

1. *General:*

(a) The Plantations Labour Act, 1951 (Section 15) makes it obligatory on every planter to provide rent free residential accommodation to eligible workers. Many planters were unable to discharge this statutory obligation due to financial difficulties. To help the planters, the Plantation Labour Housing Scheme was formulated in April, 1956. Originally, it was purely a loan scheme envisaging grant of loans to planters through the State Governments to the extent of 80 per cent of the approved ceiling cost of a house, the balance 20 per cent being contributed by the planters themselves.

(b) On the recommendation of the Working Group of Plantation Labour, Housing set up by the Department of Labour and Employment, the aforesaid scheme was modified in July, 1967 to provide for financial assistance to the extent of 75 per cent of the approved cost—50 per cent as loan and 25 per cent as subsidy.

(c) This Scheme has been transferred from the State Sector to the Central Sector in the Fourth Plan with effect from the year 1970-71, and the quantum of subsidy has been enhanced to 37½ per cent. The Planters are now required to find only 12½ per cent of the capital cost from their own resources. Provision for financing the Scheme is now made in the Central Budget and made available to State Governments outside their Plan ceiling.

2. *Eligibility:*

The Scheme applies to plantation workers as defined in section 2(e) of the Plantations Labour Act, 1951.

3. *Types of accommodation:*

Normal two-roomed houses and small two-roomed houses may be provided under the Scheme depending upon the availability and cost of land, construction costs, economic conditions of the plantations, wages and average size of the family of workers etc. The standards and specifications for these houses will be prescribed by the State Governments|Union Territory Administrations, in consultation with the respective Tripartite Advisory Boards constituted by them as provided in the Scheme.

4. Ceiling costs:

The existing ceiling costs of houses admissible for central assistance under the scheme are as under:—

(i) Normal two-roomed house	Rs. 4,000/-
(ii) Small two-roomed house	Rs. 3,200/-

5. Repayment of loans:

Financial assistance (loan and subsidy) is made available by the Centre to the Governments of concerned States and Union Territories for implementation of the Scheme. The loan content of the assistance is repayable by them in 15 years with rate of interest as may be fixed by the Central Government from time to time.

6. Implementing Authority:

The Scheme is at present being implemented in six States—Assam, Kerala, Tamil Nadu, Mysore, West Bengal and Tripura. They have been vested with power to scrutinize and section the projects formulated under the Scheme and to disburse financial assistance to the Planters in accordance with the provisions of the Scheme.

(iv) Slum Clearance and Improvement Scheme

The Slum Clearance and Improvement Scheme was introduced by this Ministry in May, 1956. This Scheme which is being implemented through the State Governments provides for:—

- (a) the acquisition of slum areas and the re-housing of families living in slum areas whose income does not exceed Rs. 350 p.m.
- (b) the improvement of environmental conditions in existing slums (e.g. paving of streets, provision of W.C.S. water supply, street lights and drainage).
- (c) construction of Night Shelters (to provide sleeping accommodation to pavement dwellers on a nominal charge).

2. (a) The scheme provides for grant of financial assistance to the State Governments by the Central Government to the extent of 87½ per cent of the approved cost of the projects (50 per cent as loan and 27½ per cent as subsidy); the remaining 12½ per cent is provided by the States|local bodies as their share of subsidy.

(b) In addition to 37½ per cent of subsidy admissible under this Scheme, another 12½ per cent subsidy is also admissible for the rehousing of slum dwellers belonging to Scheduled Castes and Scheduled Tribes out of the funds available with the Department of Social Welfare for the benefit of these communities. If this additional subsidy is taken advantage of the loan content of the Scheme is reduced to that extent.

3. The State Governments and local bodies can provide dwelling units *i.e.* open developed plots, skeletal houses, dormitory|hostel type accommodation or pucca tenements to the slum dwellers. The cost of these dwelling units ranges between Rs. 1850 and Rs. 8750 per unit, and the subsidised rental (based on 50 per cent of the approved cost of construction) ranges between Rs. 6 and Rs. 39 per month, depending on the type of construction and the place of construction.

4. The improvements in environmental conditions in slum areas and improvement of pucca built slum dwellings that may be undertaken under the Scheme comprise the following items:—

(i) Improvement of environmental conditions which comprises the following items within (and not outside) the slum area taken up for improvement:—

- (a) Laying of water mains, sewers and storm water drains.
- (b) Provision of community baths, latrines and water taps.
- (c) Widening and paving of existing roads and lanes and constructing new roads and lanes.
- (d) Providing street lighting.
- (e) Cutting, filling, levelling and landscaping the area, including horticultural operations.
- (f) Partial development of the slum area with a view to provide land for unremunerative purposes such as parks, playgrounds, welfare and community centres, police stations, fire station and schools, hospitals, dispensaries etc. run on a non-profit basis.

(ii) Improvement of pucca built slum dwellings which embraces the following items of improvement and/or conversions:—

- (a) Providing WCs, bath rooms, and water taps inside or near the dwellings.
- (b) Electrification of the dwellings and the premises.

- (c) Conversion of the privy to the water-borne system and connecting to main drains.
 - (d) Providing smokeless chullahs and nahani sinks in kitchens.
 - (e) Enlarging the sizes of the rooms or the dwellings to adequate standards.
 - (f) Increasing the area windows to provide adequate light and ventilation.
 - (g) Providing adequate open spaces for the opening up of chowks.
 - (h) Paving of court-yards and drainage of the premises.
 - (i) Work carried out for removing fundamental defects in planning, such as inadequate ceiling height for rooms narrow and steep staircases etc.
 - (j) Work carried out for removing fundamental defects in the structures, such as dampness dilapidation etc.
- (iii) *Improvement of slum dwellings owned by private owners.*

Improvement of slum dwellings owned by private landlords is their responsibility. They can be given loan assistance, if necessary, by the local bodies with funds made available to them under the slum clearance/improvement scheme. Where the owner of a slum property invests money for its improvement, he is entitled to raise the rent of the property, subject to the operation of such rent control laws as may be enforced in the State. If the owners fail to carry out the improvements, these improvements may be carried out directly by the local bodies and the cost recovered from the owners. Where necessary, the property could be acquired or requisitioned.

5. *Night Shelters*: The Scheme also permits the construction of night shelters in cities and towns where the problem of pavement dwellers is acute. These night shelters are meant for providing sleeping accommodation on nominal charges.

(v) VILLAGE HOUSING PROJECTS SCHEME (1957)

The Village Housing Projects Scheme provides for:—

- (a) grant of loan to individuals and their cooperatives for construction and improvement of houses in villages. The

amount of loan is restricted to 80 per cent of the cost of construction subject to the maximum of Rs. 3,000 per house. It is repayable at low interest in easy instalments spread over a period of 20 years;

- (b) 100 per cent grant to the State Governments to provide free house-site to landless agricultural workers;
- (c) 100 per cent grant to States for laying streets and drains to improve environmental conditions in the villages;
- (d) grant to the extent of 50 per cent of the expenditure incurred by the State Governments for maintaining Rural Housing Cells. The function of the Rural Housing Cell is to prepare layout plans for selected villages, evolve suitable designs of houses (after taking into account various factors like climatic conditions, customs and living habits, availability of local building materials, etc.) and provide technical guidance to the prospective builders in the construction of their houses. If the staff, in the Cell is not adequate, the State Governments are authorised to provide additional overseers in the Development Blocks to assist the villagers in the construction of their houses. For this purpose also, the Central Government have agreed to provide 50 per cent of the expenditure as outright grant.

2. The Scheme is implemented by the State Governments and Union Territory Administrations and they are competent to frame rules for the administration of the Scheme.

(vi) MIDDLE INCOME GROUP HOUSING SCHEME

The Scheme, introduced in February, 1959, is normally financed from the funds made available by the Life Insurance Corporation except in Union Territories where Plan funds are provided by the Government of India. Financial assistance is available for:—

- (a) grant of loans to individuals (or their cooperatives) in the income-range of Rs. 7,201/- to Rs. 18,000/- per annum for construction of houses;
- (b) construction of houses for sale to eligible persons either on cash down or on hire purchase basis;
- (c) construction of houses for renting them out to eligible persons, provided that not more than 50 per cent of the

allocation is utilised for this purpose; and not more than 33-1/3 per cent of such rental houses are allotted to the employees of the Central and State Governments etc.;

- (d) grant of loans to eligible individuals for purchase of newly built houses, subject to certain conditions.

2. The maximum amount of loan to be granted for the construction of a house is:—

- (a) 80 per cent of the cost of construction of a house (including the cost of developed land) or Rs. 27,500|- whichever is less, in the case of individuals and their cooperatives, and
- (b) 100 per cent of the cost of construction of a house (including the cost of developed land) subject to a maximum of Rs. 33,000|- in cases where construction is undertaken by Local Bodies or State Governments and their designated agencies in terms of para 3(a) (2) and 3(a) (3) of the Scheme.

3. The total cost of construction of a house should not exceed Rs. 42,000|- (excluding the cost of developed land).

4. The floor area of the house to be built under the Scheme, should not ordinarily be less than 400 square feet and not more than 2000 square feet.

(vii) RENTAL HOUSING SCHEME FOR STATE GOVERNMENT EMPLOYEES

This Scheme was introduced in February, 1959 with a view to assisting the State Governments to provide adequate housing accommodation for their own employees. This Scheme, like the Middle Income Group Housing Scheme, is generally financed from the loans made available by the Life Insurance Corporation.

2. Since the provision of residential accommodation to their employees is entirely the responsibility of the State Governments, no elaborate Scheme has been formulated. The cardinal principles governing this Scheme of assistance, as communicated to the State Governments are as follows:—

- (i) that the State Governments should utilise the funds *exclusively* for construction of new houses for allotment to State Government Employees (and not employees of Local

Bodies etc.) on payment of monthly rent in accordance with the normal rules of the State Government;

- (ii) that the ownership of these houses shall continue to vest in the State Governments themselves;
- (iii) that the class or type of accommodation to be constructed shall be determined by the State Governments themselves having regard to actual requirements; and
- (iv) that in formulating the construction programme the State Government would give preference to the requirements of *their low paid employees*.

(viii) LAND ACQUISITION AND DEVELOPMENT SCHEME

Scope and Objectives of the Scheme:

The Scheme which was introduced in 1959, envisages grant of loan assistance to States for large scale acquisition and development of urban land for making available developed plots to intending house-builders particularly those in lower income groups. In allocating land developed under the Scheme, the State Governments will give preference to the requirements of those who are eligible for assistance under the Slum Clearance and other Housing Schemes introduced by the Union Ministry of Works and Housing. Land acquired/developed under the Scheme can also be utilised for provision of community facilities like parks, playgrounds, schools, dispensaries, welfare centres, light service industries, etc. in the colonies to be developed under the Scheme, if these facilities are not already available in the vicinity at an adequate scale.

Being an essentially urban scheme, it is designed to stabilise land prices, rationalise urban development and promote growth of self contained composite colonies in accordance with the overall master plan for an entire area. Where such plans are not ready, the land use should conform to the general ideas of the prospective development in the area.

The State Governments are expected to give out land on leasehold basis, in order to avoid speculation in land.

(ix) SCHEME FOR THE PROVISION OF HOUSE-SITES TO LANDLESS WORKERS IN THE RURAL AREAS

Introduction.

(a) The Scheme aims at assisting the State Governments and Administrations of Union Territories to provide house-sites free of

cost to families of landless workers in the rural areas who do not already own a house-site or a built up house or a hut on land of their own. With the house-sites so provided the workers will have to build houses/huts thereon with their own resources, and live in peace without being constantly threatened with eviction by the owner of the land on which they have built their houses/huts.

(b) The Scheme is being introduced as a Central Sector Scheme. It will, however, be implemented through respective State Governments and Administrations of Union Territories.

2. Scope of the Scheme.

(a) The State Governments and Administrations of Union Territories are expected to take urgent action to:—

- (i) enact suitable legislation (where this has not already been done) conferring homestead rights on landless workers in rural areas in respect of sites on which their houses/huts stand at present,
- (ii) utilise available land owned by the State Government or the Gaon Sabha in villages for providing house sites, free of cost, to families of landless workers in rural areas who are not covered by action under (i) above.

(b) The benefits of this Scheme will be admissible only to such families of landless workers in rural areas as cannot be given house-sites in terms of the preceding sub-paras, provided that:—

- (i) neither the head of the family, nor any of its other members own any land whatsoever (agricultural or otherwise) in the village/rural areas;
- (ii) the family depends for its livelihood mainly on the unskilled labour of its members (e.g. landless agricultural workers); and
- (iii) the members of the family reside in the village/rural area for the major part of the year.

For the purpose of this Scheme, the term family will be deemed to consist of the worker, his wife and dependent parents/children.

3. *Financial assistance*

(a) The entire cost of acquiring and develop land for providing house-sites to families of landless workers covered by para 2(b) above along with the cost of development of the land mentioned in para 2(a) (ii) above, in accordance with the approved programme, will be met by the Government of India as 100 per cent grant assistance which will be made available to States and Union Territories outside their Plan Ceilings. Any expenditure incurred by the States|Union Territories on appointment of staff etc. necessary for implementing the scheme, will, however, have to be met by them from their own resources.

(b) Financial assistance will be released to States|Union Territories in quarterly instalments against each specific project, depending upon the progress of work and expenditure in the preceding quarter, and work to be undertaken in the next one.

4. *Utilisation of Financial Assistance*

(a) Financial assistance provided by the Government of India under this scheme can be utilised by the States and Union Territories for acquisition of land in, rural areas, and its development along with the development of the land covered by para 2(a) (ii) above for being carved into house sites for allotment, free of cost, to families of landless workers residing in rural areas as are covered by para 2(b) above.

(b) No family will be allotted more than one house-site; and size of a house-site shall not ordinarily exceed 100 Sq. yards.

(c) The cost of development should not exceed Rs. 150/- per site on an average (over a Block).

(d) The term "development" will cover clearing and levelling of land and provision of paved streets and storm water drains on the land proposed to be utilised for giving house sites to eligible families.

(e) In cases where an adequate supply of potable drinking water is not already available, a covered masonry well may also be provided to serve a cluster of, say, 40—50 house sites.

(f) In allotting the house sites, there should be no segregation of families belonging to Scheduled Castes and Scheduled Tribes. Such families should be suitably interspersed along with the other families being allotted house sites in or adjoining village.

(g) The agreements|deeds transferring house-sites to the allottees should *inter alia* contain a specific clause precluding the allottee from selling, mortgaging or otherwise transferring his rights in the plot to a third party.

5. *Formulation, Scrutiny and Approval of Programmes*

The States should formulate specific projects, taking one Community Development Block at a time, and send them to the Ministry of Works and Housing, along with an explanatory note and relevant details as in the attached proforma, for prior scrutiny and approval. (Provision of house sites to all eligible families in a Block is to be treated as one project). Priority should be given only to those Blocks in the District which have a sizeable concentration of landless rural labourers, particularly of those belonging to the Scheduled Castes and Scheduled Tribes.

6. *Progress Reports:*

The States|Union Territories shall compile quarterly progress reports in the prescribed proforma, and send them to the Ministry of Works and Housing by the 15th of the month following the quarter to which it relates. Officers of the Ministry of Works and Housing may also visit the various projects to assess the progress and evaluate the programme from time to time.

(x) JHUGGI AND JHONPRI REMOVAL SCHEME

According to the present policy, the pre-July, 1960 squatters are considered 'eligible squatters' and the post-July, 1960 squatters are considered 'ineligible squatters'. The eligible squatters are provided with plots of 25 square yards in comparatively central localities and the ineligible squatters are rehabilitated in camping sites on the periphery of the city.

2. Regarding civic amenities in Jhuggi Jhonpri colonies, the present position is that the civic services, such as drinking water supply, drains, community latrines and baths, approach roads and street lighting are provided by the Delhi Development Authority which is in-charge of the execution of the scheme, within the prescribed ceiling of Rs. 1200 per plot in colonies of eligible (Pre-July, 1960) squatters and of Rs. 800 per plot on camping sites on the periphery of the city for ineligible (i.e. Post-July, 1960) squatters. These are also maintained by the Delhi Development Authority themselves.

APPENDIX V

(Vide Para 4.30)

As on 30-6-1975

Village Housing Projects Scheme

Progress since inception of the Scheme

Sl. No.	Name of State and Union Territory	No. of houses		Amount	
		Sanctioned	Completed	Sanctioned	Disbursed
1	2	3	4	5	6
				(Rs. in lakhs)	
1.	Andhra Pradesh . . .	6649	4559	106.59	74.38
2.	Assam	2	..	0.04	0.04
3.	Bihar	404	131	5.01	4.82
4.	Gujarat	1923	1486	33.28	32.10
5.	Haryana	624	298	18.90	18.90
6.	Himachal Pradesh . . .	389	330	7.48	7.17
7.	Jammu & Kashmir . . .	—	—	—	—
8.	Karnataka	11481	7827	175.06	151.99
9.	Kerala	7393	5726	165.29	151.82
10.	Madhya Pradesh	5104	2509	118.65	76.67
11.	Maharashtra	18435	10341	337.91	254.66
12.	Manipur	180	74	—	1.50
13.	Orissa	10001	6736	423.51	271.70
14.	Punjab	3802	1373	104.34	103.27
15.	Rajasthan	6585	3125	97.03	70.74
16.	TamilNadu	10100	5519	307.28	25.70
17.	Tripura	579	488	9.05	7.29
18.	Uttar Pradesh	5960	3472	165.31	65.31
19.	West Bengal	369	3652	20.51	17.27

1	2	3	4	5	6
<i>Union Territories</i>					
1.	Andaman & Nicobar . . .		..	13·64	8·61
2.	Arunachal Pradesh . . .	..	..	2·02	8·85
3.	Delhi	2404	1618	77·59	58·9
4.	Goa, Daman & Diu . . .	304	198	8·49	6·44
5.	Lakshadweep	47	22	0·72	0·54
6.	Pondicherry	237	175	5·77	5·68
<hr/>					
	TOTAL—STATES & U. Ts. . . .	96299	59659	2223·46	1650·36

APPENDIX VI

(Vide Para 5.11)

National Urbanisation Policy Resolution, 1975

Preamble:

India's urban population has nearly doubled from 62 millions in 1951 to 120 millions in 1974. It is estimated that by 2001 A.D. India's urban population may, on a conservative basis, reach a figure of 278 millions. The prospect of this order of urbanisation in the next 25 years add a new dimension to the development of cities and towns, as urban centres, throughout the country.

Many of the existing cities and towns have doubled, trebled and even quadrupled the size of their populations in the last two decades. Industries have tended to concentrate in the metropolitan and large cities causing acute congestion, traffic and transport bottlenecks severe shortages of basic amenities and serious environmental problems. As the expansion of the cities and towns was not always planned and the growth of urban areas took place in most cases haphazardly, essential services and amenities did not keep pace with the growth of population and consequently conditions of living in the cities and towns have assumed disturbing proportions. Values of urban land and rentals of houses have gone beyond the reach of the vast majority of the urban population which is poor. Yet the flow of migrants from the rural areas into the urban centres continues unabated, making the situation still worse and the future prospects underline the need for immediate anticipatory, remedial and positive action.

During the last two decades, programme of urban development such as slum clearance and improvement, housing, water-supply sewerage and drainage, education, medical facilities, open spaces, recreational facilities and transport have been taken up under the plans both at the State level and at the Central level. However, these programmes lacked coordination and integration and an overall long term approach, in bringing about improvement in the urban centres as a whole. Development of new urban centres or expansion of existing centres with growth potential was not also attempted as part of an overall strategy of planning a hierarchy of human set-

elements which could constitute a convenient vehicle for national and regional development. These are deficiencies which need to be removed.

Ample recognition has been given in the various plan documents to the fact that the success of the urban development programmes would require the formulation and adoption of appropriate policies for management and control of urban land. A number of important measures have been accordingly suggested in almost all Five Year Plans to ensure that adequate quantity of urban land is made available for the maximum benefits of the society as a whole and also that the unhealthy concentration of urban land is altogether discouraged. Achievements in this direction have been, however, feeble. The urgency of the land problems in our cities and towns has been recognised as needing high priority and the 20-point Economic Programme initiated by the Prime Minister, has appropriately included a programme for the "Socialisation of urban and urbanisable land, ceiling on ownership and possession of vacant land, and on plinth area of new dwelling units".

Need for long term Approach

Plan policies have recognised urbanisation as an important facet of economic and social development and have laid stress on the need for a more balanced distribution of economic activities, especially industries, and the prevention of their concentration in the metropolitan cities. With the object of controlling the haphazard urban growth, Master Plans have been prepared for all important cities and towns as also the industrial centres. These plans, however, were not implemented owing to lack of follow up action and provision of funds for developing the basic infrastructure. Also, at the national and the State level, the spatial dimensions of plan programmes together with their impact on urban centres were left to be taken into account during execution, but during implementation, the spatial aspects have been generally overlooked. The cumulative effect has led to the increased migration to urban areas, undue concentration of population and activities in large urban centres and uneven distribution of population amongst the urban centres. There is, therefore urgently the need for finding long term solutions to the problems of both urbanisation and urban growth.

It is recognised that urbanisation transcends state and local boundaries and will need to be consciously fostered as part of the strategy of national and regional development. The problems of urbanisation have to be viewed more comprehensively and a long term

policy and approach adopted to direct the course of future urbanisation and to make it an effective instrument of economic uplift and social progress.

The basic tenet of a long term and comprehensive National Urbanisation policy is that urban and rural economies are complementary and support each other and this is best achieved through a hierarchy of urban and rural settlements, integrated with one another in an overall economic development frame for each region. In such a system the settlements provide both agricultural and non-agricultural employment opportunities within each region to the vast number of unemployed persons. This is more particularly so in our country because nearly 80 percent of the population live in rural areas which are characterised by underemployment and unemployment. The concentration of industries in and around big cities which has so far led to the migration of people from rural areas to urban centres is to give place to a pattern of decentralised industries allied to agriculture and located throughout the rural areas in different sizes of settlements thereby helping to resuscitate the rural economy. Urban centres would grow naturally out of the rural economy to service the latter and to bring the benefits of urban economy in terms of markets, skills, specialised services, etc., and establishing a harmonious relationship. Urbanisation, rather than becoming an economic and social burden on the nation, has to be oriented-towards productivity, self-sustenance and reciprocally beneficial and healthy economic relationship between the urban and rural areas.

Objectives and Goals of National Urbanisation Policy

The National Urbanisation Policy will aim at the following objectives:—

- (a) Evolving a spatial pattern of economic development and location of a hierarchy of human settlements consistent with the exploitation of the natural and human resources of the region and ensuring functional linkages interse;
- (b) Securing the optimum distribution of population between rural and urban settlements within each region and also among the towns of various sizes;
- (c) Bringing about the distribution of economic activities in small and medium size towns and in new growth centres in order to achieve economic growth and improve the quality of life for the future;

- (d) Controlling and where necessary arresting the further growth of metropolitan cities by dispersal of economic activities through legislative measures and the establishment of new counter-magnets in the region;
- (e) Providing basic amenities for improving the quality of life in rural and urban areas and reducing the differences between the rural and urban living and bringing about amelioration of the poorer sections in the urban areas through a minimum needs programme in regard to housing, water-supply, health, education, etc.

For achieving the objectives and goals out-lined above it is necessary to adopt certain strategies. A desirable hierarchy of human settlements based on a balanced distribution of population between the urban centres and rural areas is essential to ensure adequate employment, higher *per capita* productivity and satisfactory living conditions in the different parts of the country. Proper dispersal of industrial, commercial and distributive activities among the large, medium and small cities and towns will form an important part of this strategy. A comprehensive regional approach is also necessary to relieve the pressure of population on the metropolitan and large cities and to considerably reduce the disparity in the levels of living between the urban centres and rural areas. Development of new countermagnets and new urban centres in a planned manner will also help in securing balanced distribution of economic activities in medium and small cities and towns.

Measures for Implementing the Policy

In order to achieve the objectives and goals of the National Urbanisation policy as also to deal with the problems of urban development in a comprehensive way, the following legislative, administrative, technical and financial measures are proposed to be implemented in consultation with the State Governments.

Legislative

1. Socialisation of urban land including the prescription of a ceiling on urban holdings to achieve optimum use of land to bring about equity for the weaker sections of population to control speculation and also to see that right land in right quantity is made available for urban development programmes.

2. Enactment of comprehensive Town and Country (Planning and Development) Legislation by each State including features such as

adoption of leasehold basis for dispersal of land to deal effectively with problems of land use and to curb speculative transfers of land and indiscriminate conversions.

Administrative

3. Adoption of suitable measures to strengthen the local Administration in respect of plan preparation, enforcement and execution.

4. Setting up appropriate organisation at the Central and State Level with strong cadre of inter-disciplinary experts to advise Governments on Urban Development Policies and Programmes.

5. Enforcement of better co-ordination and integration of programmes taken up by various departments concerned with urban development, including local self-government, housing, town and country planning, environmental planning etc. This calls for setting up of, in each State, a single Ministry looking after the various functions mentioned above.

6. Ensuring greater participation of local people and leadership in the planning and development efforts and creating community awareness for development action.

Technical

7. Preparation of comprehensive Regional or Area Development Plans by State Governments including a desirable hierarchical urban settlement pattern for each region or area.

8. Ensuring optimum utilisation of the existing urban land in order to avoid undue encroachments on fertile agricultural land.

9. Drawing and adoption of a programme for the development of infrastructure facilities to encourage urban growth in those settlements and areas where it is needed most together with the provisions of necessary incentives, concessions, subsidies and liberalisation of procedures.

10. Undertaking advance planning in regard to the location of new large and medium scale industrial units in order to achieve industrial dispersal away from metropolitan and large cities.

11. Devising proper transport network to provide the necessary linkages, among various rural and urban hierarchical settlements.

12. Undertaking of a massive programme of rural development in order to stabilize the rural population through modernising agri-

culture, diversifying economic activities in the rural areas with the help of cottage industries and agro-processing industries.

13. Development of a chain of agro-service centres to provide inputs and other services as also strengthening mandi-towns for marketing of agricultural products.

14. Provision of basic amenities and services in rural areas in order to improve living conditions therein as also to reduce the differences between rural and urban living.

15. Sponsoring of extensive research into urban problems for guiding the State Governments in the solution of urgent urban issues.

16. Building up of an information and data system covering various aspects of urbanisation and urban development.

17. Instituting courses in urban development studies including urban economics, urban geography, urban sociology, urban planning, etc., at the post-graduate level in Indian Universities.

Financial

18. Taking appropriate measures to enable local bodies to augment their financial resources including allocation of resources on the basis of statutory obligations. In addition to enforcing more effectively the realisation strategy for the existing taxes, other measures such as levy of Development Charge, conversion Fee etc. should be introduced in all urban areas.

19. Mopping up of unearned increments in the value of land through taxations and other means.

20. Structuring the integrated urban development programmes in such manner as to make them self-financing to the extent possible.

21. Creating an Urban Development Fund in each State, from profits and surpluses realised under various programmes such as housing, land acquisition and development etc. for financing urban development programmes. This fund should be utilised as 'revolving fund' exclusively for such programmes and in no circumstances be allowed to be diverted to general revenues of the State.

22. Allocating much higher importance to urban development as a sector of country's planned development and providing adequate financial resources in the National and States Five Year Plans.

If need be, a separate major head for 'urban development' should be created, as has been done for Transport and Power. The subjects of housing, water-supply, sewerage, land development and metropolitan transport may be brought under this major head of development.

23. It may be considered whether additional loan funds made available from lending agencies such as IDA, World Bank etc., could not be placed outside the State Plan ceilings, so that the allocations in the State Plans for various sectors are not affected.

The Government of India believes that the above mentioned formulation of National Urbanisation Policy will act as a future guide in channelising urbanisation along desirable lines in order to foster balanced growth of cities and towns throughout the country and a comprehensive National Urbanisation Policy recognising rural and urban development as complementary to each other will aid the overall strategy for the development of both rural and urban sector in the country.

APPENDIX VII

(Vide Para 5.19)

Land Acquisition and Development Scheme Progress since inception of the Scheme

(in acres)

Sl. No.	Name of State	Area sanctioned for acqui- sition & develop- ment	Area of land	
			Acquired	Develop
1.	Andhra Pradesh	9350.40	2529.32	464.30
2.	Assam	247.40	160.70	31.79
3.	Bihar	6042.20	831.40	246.30
4.	Gujarat	3969.20	1393.20	424.16
5.	Haryana	16046.74	2019.14	332.44
6.	Himachal Pradesh	109.80	87.00	22.60
7.	Jammu & Kashmir	615.89	615.89	91.75
8.	Karnataka	966.05	711.18	558.10
9.	Kerala	224.75	239.95	215.20
10.	Madhya Pradesh	2224.41	1509.46	514.64
11.	Maharashtra	3365.70	1612.08	905.13
12.	Orissa	63.38	27.86	670.00
13.	Punjab	2054.35	1810.11	455.40
14.	Rajasthan	3760.00	963.09	928.80
15.	Tamil Nadu	8811.13	4087.37	3681.67
16.	Uttar Pradesh	14304.63	8763.07	5541.56
17.	West Bengal	1203.59	871.71	261.06
TOTAL		73359.62	28262.53	15344.66

APPENDIX VIII

Summary of Recommendations/Observations contained in the Report

S. No.	Reference to Para No. of the Report	Recommendations/Observations
(1)	(2)	(3)
1	1.15	It is well known that the extreme shortage of housing and the menace of the spreading slums are among the most urgent problems facing the cities of India. The Committee note that in order to deal with the situation, the Central Government introduced the Slum Clearance/Improvement Scheme in May, 1956 and the Scheme for Environmental Improvement in Slum Areas in 1972. The Committee have dealt with the impact made by these schemes in paragraphs 6.21 to 6.35 of their Thirty-Seventh Report on 'Housing'. In view of the crucial importance of finding a solution to the growing problem of slums, the Committee have further reviewed the programmes and the achievements made so far in tackling this problem.
2	1.16	The Committee also note that the problem of slums is an offshoot of the larger problems of growth of cities, growth of urban population and growth in migration from the rural to the urban areas. The Committee consider that what is required to deal with the problem is human volition and determination supported by well planned efforts for increasing the housing stock, decentralisation of urban activities and a sustained drive for integrated urban and rural development with emphasis on the growth of

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agro-based industries and creation of counter magnates to limit the flow of migrants to metropolitan cities. The Committee have dealt in the relevant sections of this Report the concrete steps taken by Government in this regard to arrest the proliferation of slums.

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The Committee note that the definition of slums is broadly similar in the enactments of the Central and State Governments relating to Slum Improvement and Clearance. The Committee, however, feel that the definition of slums is wide-ranging and liable to different interpretations and may bring within the compass of the Acts sub-standard housing without services and amenities, inhabited by very low income groups, which could with some marginal improvements be made habitable for a long period without being detrimental to safety, health or morals. They feel that according to the legal definition very substantial portions of urban areas in the country may well come within the encompassing definition of slums. The Committee consider that slums is in fact an inappropriate word to be used in Indian conditions where people forced by circumstances and deficiencies in socio-economic conditions have to put up in certain areas. Most old and historical cities have congested residential areas, not properly served by sanitary and other amenities, yet they have a healthy social structure with economic activity and they cannot, therefore, be declared as slums although they do constitute sub-standard housing conditions. As for instance, the representative of the Delhi Development Authority admitted during evidence that "the notification showing the entire area of walled city of Delhi as slum is wrong and it is not a correct definition because in the context of some of the beautiful areas of the

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walled city, we cannot declare the whole of the walled city is slum area”

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The Committee therefore are of the view that the scope of the definition of a slum area should be narrowed to bring within the compass of the Act only those areas with predominantly undesirable structures and poor environmental conditions which afford no possibilities for safe habitation even after effecting certain critical improvements. In such a case the magnitude of the problem of slums will be limited and more manageable and it would be well within the means and resources of Government to tackle the problem in a purposeful and selective manner and to concentrate its activities in the eradication of the worst slums. The Committee also feel that a more precise definition of slums would be of considerable help to the local authorities to determine the priorities for action in respect of slums and to enable them to take up the worst slums first.

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The Committee would, therefore, suggest that Central Government may issue Guidelines to the State Governments for defining slum in their respective Acts, with particular reference to their physical and social aspects so that the scope of the problem is limited to the clearance or improvement of such of the areas as need the utmost urgency in terms of the enormity of the problem. The Committee, however, would like to make it clear that this does not apply to unauthorised slums.

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1.32

The Committee are surprised to note that only 9 States, *viz.*, Andhra Pradesh, Gujarat, Madhya Pradesh, Karnataka, Tamil Nadu, Uttar Pradesh, Punjab and West Bengal have enacted legislation on Slum Clearance and Improvement and the remaining States have not so far enacted such a legislation. The Committee have been informed that provision exists for slum clear-

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ance/improvement in the rules of business etc. of Improvement Trusts, Municipalities and Country Town Planning Organisations of other States and that 'to the extent that these administrations can do it, these are provided, if not in enactments, in their rules of business/administration.' The Committee, however, consider that the rules of business/administration of the Improvement Trusts, Municipalities etc., do not constitute effective alternative for undertaking meaningful measures for Slum Improvement/Clearance in the absence of proper enactments for the purpose. Absence of statutory backing and limitation of funds will result, by and large, in the efforts of the local authorities being sporadic in character, and any large scale clearance of slums will be ruled out especially where the initial cost of acquiring slum areas and payment of compensation therefor are beyond their resources. The Committee would therefore, urge the Government to persuade the remaining States for taking immediate steps for enacting a legislation so as to facilitate the clearance and improvement of slums in a purposeful and co-ordinated manner.

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The Committee also note that there are varying provisions and procedures in the enactments for acquisition of land and for payment of compensation etc. No such provision however exists in the Gujarat legislation. In this connection, the Committee would like to draw the attention of Government to Paragraph 6.56 of the Report of the Selected Building Project Team on Slum Clearance (1958) where it has been recommended that "a critical study of the various Acts should be made by a special committee which should formulate a Model Slum Clearance legislation for the guidance of the States. The legislation should include measures for slum prevention, acquisition of slum sites and rehousing sites, slum servicing and improvement and also

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rehabilitation of sub-standard housing. The slum problem has to be tackled on an all India basis and it is essential to have a uniform legislation for this purpose.”

1.34 The Committee regret to note that no action has so far been taken on the recommendation. They would, therefore, urge upon the Government to examine the recommendation of the Team in all its aspects and bring forward at an early date a model legislation for slum clearance and improvement so that the problem is tackled in a systematic manner all over the country.

6 1.43 The Committee are concerned to note that all these years no effort has been made to ascertain the exact magnitude of slum problem in the country and that Government have been proceeding in the matter of clearance and improvement of slums on an *ad hoc* basis. The Committee feel that if Government had assessed the problem at regular intervals in the past and taken remedial steps simultaneously, the problem might not have assumed the alarming proportions as it has today.

1.44 The Committee note that the Working Group on Slums set up by the Planning Commission before the Fifth Five Year Plan had, on the basis of information collected from some of the metropolitan and major cities above 5 lakh people, estimated that about 20 to 25 per cent of the urban population might be living in slum areas and that on that basis, out of the urban population of 108.7 millions in 1971, nearly 22 million might be living in slum areas. As the conclusions drawn by the Working Group are merely estimates and do not cover the towns and cities with less than 5 lakh population where also slums exist, it is evident that the slum population in the country is much more than estimated by the

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Working Group. The Committee are surprised to note that even the States which are badly affected by slums have not gathered authentic information on this subject, except in the case of Bombay in Maharashtra State where an enumeration of the slum dwellers has recently been carried out.

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1.45

The Committee would like Government to have a special survey of slums made on an-all-India basis particularly of the worst slums so that the magnitude of the problem is known and effective and realistic measures could be evolved to deal with this problem. In order to keep a watch over further growth of slums, it is necessary that such surveys are made near about the time of each National Census. These surveys should include information about the socio-economic conditions of slum dwellers. In this connection the Committee would like that the utility of the data of the slum dwellers gathered at Bombay may be evaluated to identify significant aspects which should be specifically covered in the census/surveys.

1.46

The Committee would also like Government to pay attention to the sanitary and hygienic conditions in rural areas by providing for lay-out plans, paved pathways, drainage etc., so as to improve the living conditions in villages, particularly in larger villages, which would also help in arresting the drift of rural population to the urban areas which mainly results in the growth of slums.

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2.6

The Committee note that in order to deal with the growing problem of slums, the Slum Clearance/Improvement Scheme was introduced by Government of India in May, 1956 with the primary object of improving the slums and re-settling the slum dwellers near their place of em-

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ployment. While the actual execution of the scheme was entrusted to the State Governments, financial assistance by way of loans and grants was provided by the Central Government to the extent of 75 percent of the cost of projects upto 1-4-66 and 87½ per cent of the cost of the projects from 1-4-1966. The scheme was transferred to the State sector with effect from 1st April, 1969.

2.7

The Committee further note that during the period, the scheme was in the Central sector, against a total allocation of Rs. 52 crores for the period upto 31-3-69, a total amount of about Rs. 34 crores was disbursed to the State Governments under the scheme. There was thus a shortfall of about Rs. 18 crores in expenditure against allocation. The reasons for shortfall are stated to be that the Central assistance was dependent on the amount approved for inclusion in the Annual Plan of the States and the expenditure incurred by the State Governments on the execution of the schemes, and that the assistance provisionally released to the State Governments was found not to have been fully utilised and that in some cases, no releases were made as a few State Governments had not incurred any expenditure under the scheme in a particular financial year.

2.8

The Committee are constrained to observe that the shortfall in the utilisation of the amount allocated for Slum Clearance/Improvement Scheme indicates lack of purposeful planning and programming to deal with the problem of slums which is assuming large dimensions. The Committee consider that in a planned economy, where scarce resources have to be distributed for various developmental purposes under a system of overall priorities, it becomes incumbent on the authorities to formulate and implement their programmes in such a way as to ensure effective

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utilisation of the amounts which have been allocated with difficulty, in the face of other competing demands from various sectors of the economy. The need for evolving a strategy for making the best use of the resources by well-planned and well co-ordinated programmes and by rationalising and streamlining the administrative machinery for execution of the programmes need hardly be emphasised. The Committee recommend that the deficiencies in preparing programmes for slum clearance/improvement and in implementation thereof should be clearly identified and concerted efforts made for taking remedial action so as to make meaningful use of the available resources for dealing effectively with the growth of slums.

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2.9

The Committee note that while 5 States/ Union Territories have drawn over Rs. 300 lakhs each as central assistance during the period from 1956 to 1969, 12 States have drawn less than Rs. 300 lakhs each, out of which, ten have drawn less than Rs. 100 lakhs. The Committee consider that whereas financial assistance is released to the State Governments on the basis of expenditure incurred by them under the Scheme, it may well be that the States which have lagged behind in availing of the central assistance, may not possess the requisite machinery and technical competence to formulate and implement the schemes, even though the magnitude of the problem of slums in such States may be no less or rather may be even more than the States which have secured a large measure of central assistance. The Committee feel that it would only be equitable if the central assistance to the States is given with reference to the gravity of the problem of slums which requires to be solved rather than on the basis of the capacity of the States to formulate schemes and incur expenditure. In

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the opinion of the Committee, the Central Government should provide guidance and assistance to the States with large slum population, which lag behind in the formulation and execution of the schemes so that they are enabled to tackle their slum problem effectively and do not lag behind the better equipped States.

11 2.14

The Committee note that during the period the Slum Clearance/Improvement Scheme was in the Central Sector from 1956 to 1969, only 67,657 houses were completed against a total of 108,215 units sanctioned. Thus the number of houses completed, constituted 62 per cent of the units sanctioned. The average number of houses completed per year since the inception of the Scheme works out to 5204 units. The Committee also note that there is a wide gap between the number of units sanctioned and the units completed in respect of many States. The gap is particularly wide in the case of States such as Bihar, Mysore, Orissa, and Delhi where the number of houses completed was less than even 50 per cent of the units sanctioned. While fully realising that the number of units sanctioned was itself not sufficient to make any sizeable impact on the slum problem in the country, it is a matter of regret that even these modest targets could not be fulfilled. It is a sad reflection on the planning and organisational set up. The Committee recommend that if any substantial progress is to be made in alleviating the human misery which the slums represent, it is important that any lacunae in the fields of planning and organisational set up should be immediately removed.

12 2.15

After noting the poor performance of the scheme during the 13 years it remained in the

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Central Sector, the Committee have come to the conclusion that no amount of financial assistance whether at central or state level for construction of tenements for the slum dwellers can resolve the gigantic slum problem in an effective manner, particularly when the slum population has assumed the proportion of about 20—25 per cent of the country's urban population. The Committee would like to point out that the Working Group on slums had estimated that by 1979, the town with a population of 3 lakhs or above, would have 7.5 million slum dwellers requiring a provision of nearly 2 million slum housing units. On an average expenditure of Rs. 7000 per unit, the cost involved would be about Rs. 1400 crores which is beyond any foreseeable resources for the purpose. The Committee realise that the task of slum clearance is immense and that with the present physical and financial limitations, complete elimination of slums may not be possible. The Committee, however, feel that if the problem has to be solved in a more meaningful manner, the emphasis may have to be shifted to the improvement of the slums and sub-standard areas and implementation of "sites and services schemes."

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2.17

The Committee during their visit to Madras were informed that the rent being charged for slums tenements is Rs. 10 per month (without water and Electricity charges) whereas the economic rent worked out to about Rs. 70 per month per unit. The Committee gathered an impression that the subsidised rent of Rs. 10 per month per tenement may not even be sufficient for maintaining the tenement. In that case, these new tenements which have been

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developed at high costs may degenerate into sub-standard living conditions after some time and thus defeat the very objective for which they were constructed. The Committee would, therefore, like Government to consider whether it would not be more appropriate to give a sense of involvement to the occupants by making available these tenements on long term hire-purchase basis instead of collecting the licence fee. The Committee would like this aspect to be gone into more carefully by an Expert Body which should have representatives of leading social organisations, actually working in that area and Finance etc.

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2.26

The Committee note that the primary object of the Slum Clearance/Improvement Scheme was to clear the slums and to re-settle the slum dwellers near their place of work, but as it was found by experience that clearance was very difficult, the Central Scheme for Environmental Improvement in Slum Areas was introduced with effect from 1-4-72. They further note that during 1972-73 and 1973-74 when the Scheme was in the Central Sector, Government had provided cent per cent assistance to State Governments for effecting environmental improvement of slums in 20 cities and that an amount of Rs. 20.24 crores was released against Rs. 30 crores allocated.

2.27

The Committee regret to note that the implementation of the Scheme has suffered retardation during the two years (1974-75 and 1975-76) after its transfer to the State Sector from 1-4-74 in as-much-as the total population benefited from the Schemes has declined from 33.65 lakhs during 1972-73 and 1973-74 to 14.96 lakhs during 1974-75 and 1975-76. It is therefore doubtful whether the anticipated coverage of 6 million people under this scheme during the

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Fifth Plan period will be realised. While the Committee appreciate that the Central Government have no direct control over the execution of the scheme after its transfer to the State sector, the Committee would like to stress that in the overall national interest, the matter should not be left entirely to the discretion of the State Governments, particularly when the Scheme had been sponsored by the Government of India for a specific object and the object is far from fulfilment. The Committee would, therefore, like the Government to go into the reasons which retarded the progress of the scheme and persuade the State Governments to take up remedial measures so as to make up the deficiency in the remaining years of the Fifth Plan.

15 2.28 The Committee note that the scheme for Environmental Improvement in Slum Areas was initially introduced in 11 cities with a population of not less than 8 lakhs but later on it was extended to 9 more cities on the basis of one city in each of the remaining States, thereby making a total of 20 cities. The Committee see no reason as to why the scheme which was intended to improve the environmental conditions in the slum areas has been extended to all the States without reference to the magnitude of the slum problem. Since there is constraint of resources, the Committee need hardly point out that funds from the Centre under such schemes should be made available in respect of such cities where the problem of slums is acute so that the worst slum areas can be improved first and made livable.

16 2.36 It appears that a considerable proportion of the houses in many un-planned areas may be of good or of reasonable standard. The main

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reason for the deplorable condition in such areas is the lack of basic infra-structure facilities such as sanitation, roads, water, sewerage, electricity etc. The Committee feel that such areas may be selected for upgrading by undertaking better planning and by providing latrines, water supply, drainage paved streets and widening of the roads etc. Before upgrading is started, it is imperative to undertake proper planning and where necessary acquire land in nearby areas for providing facilities like schools, markets, dispensaries, police station, green areas etc. The owner could also be encouraged to provide basic facilities in their houses while the local authorities may provide water supply, public latrines, drainage facilities and improve in general the layout of roads, streets, pathways etc.

The Committee note that World Bank has extended financial assistance for low cost upgrading projects in a number of countries, and also supported the schemes for integrated development of Calcutta area. The Committee have no doubt that in the light of experience gained at Calcutta, Government may like to seek World Bank help for this purpose in a larger measure.

2.37

The Committee need hardly point out that the problem of slum conditions in big old cities can be greatly reduced if close and timely attention is given to the repair and maintenance of old buildings so that they are not allowed to be reduced to shambles. The Committee learn that in some American cities 'House Code' has been introduced under which the onus of maintaining a house in good condition is thrown both on the occupant as well as the owner. The Committee are also informed that the Maharashtra Government have enacted "Bombay Building Repairs and Reconstruction Board

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Act.", which under certain conditions provides for undertaking maintenance of old buildings by the State Government. Measures like 'Housing Code' in American cities and Bombay Building Repairs and Reconstruction Board Act may not only prove useful in prevention of slum conditions but may also help in maintaining the existing old buildings in a good state of repair. The Committee would like Government to study the provisions of these measures and bring the beneficial aspects to the notice of the State Governments for appropriate action.

18 2.43 The Committee understand that the policy of providing sites of limited area to squatters and others is being adopted as it is not possible at present to provide houses for such large numbers. The Committee need hardly point out that these areas which may seem to be distant at present may become in due course nucleus of cities and townships. It is, therefore, imperative that from the very beginning the land sites are provided in a planned manner with the necessary infrastructure and basic amenities to take care of future developments. Care should be taken to see that all important vocations and supporting services are represented in these areas in order to lay the foundations of a self-sustaining community right from the beginning.

19 2.44 The Committee would further suggest that the squatters and others may be provided guidance and assistance so as to put up shelters which are least expensive but have necessary utility value. In this context, the Committee commend the idea of modular construction with the attendant facilities. Standardised fittings may be made available at rates within the reach of the people affected.

 2.45 It may also be advisable to prepare plans for group housing which could be built with the

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		<p>participation and cooperation of these persons in the years to come, to meet the rising standards and to overcome the problem of scarcity of land. The Committee need hardly point out that suitable provisions to take care of these possible developments in the future should be built into the terms and conditions on which land sites are given.</p>
21	2.46	<p>The Committee would like to point out that the major tasks before the authorities in the upgraded slums and 'Sites and Services' projects etc. would be to maintain efficiently the common services like latrines, water taps, pathways etc. in good working condition. In this connection, it may be pertinent to point out that the Committee during visit to Calcutta Slum Bustees found instances where the common latrines were clogged. It is, therefore, imperative that arrangements should be made for the maintenance of these common services which tend to be neglected after the first flush of enthusiasm is over, causing wide-spread nuisance and squalor in the area and making the hygienic conditions deplorable which pose a positive health hazard to inhabitants.</p>
22	2.47	<p>In this connection, the Committee would also like to point out that the Maharashtra Government has appointed a Controller of Slums for Bombay who is responsible for collection of revenues and maintenance charges from slum dwellers. Under the Slum Clearance and Improvement Scheme, each slum dweller is required to pay Rs. 10/- for the site and Rs. 9/- for maintenance services which are paid to the Corporation, plus Rs. 1/- for administrative charges. A separate fund for slum clearance and improvement is proposed to be created out of the realisation of Rs. 10/- per hut. The Committee would like the Government to examine how it has work-</p>

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ed and consider bringing its useful features to the notice of the State Governments for appropriate action.

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| 23 | 2.48 | <p>The Committee consider that it is but fair that the beneficiaries of conservancy services should bear at least a part of the expenditure for the maintenance of these facilities which have been built at great cost, for their benefit and which would improve their surroundings. The Committee need hardly emphasise that ways and means must be found for the involvement and participation of the dwellers themselves in managing the maintenance of these services. It should not be difficult to persuade the dwellers to realise that the benefits accruing from better maintenance and upkeep of these services.</p> |
| | 2.49 | <p>The Committee have no doubt that if the maintenance of the common services provided in the upgraded areas and the new Sites and Services projects are neglected, these areas will again degenerate into slums. The Committee would, therefore, like to emphasise that the provision and maintenance of these services is very essential for which resources have to be found by the Centre and the State Governments. As already stated the slum dwellers may be required to contribute for the maintenance of these services after they have been provided by Government.</p> |
| 24 | 2.50 | <p>During their visit to Bombay the Committee were informed of the various enactments such as (i) Maharashtra Vacant Lands (prohibition of Unauthorised Occupation and Summary Eviction) Act; (ii) Maharashtra Slum Areas Act; (iii) Maharashtra Slum Improvement Board Act; (iv) Bombay Building Repairs and Reconstruction Act, under which schemes for slum improvement/Slum Clearance are being implemented by the Maharashtra Government in Bombay. Apart</p> |
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from improving the existing slum areas, the Maharashtra Government is also encouraging the slum dwellers to construct their own houses at cheap rates. The Committee would like Government to study all these schemes and bring their positive contents and beneficial features to the notice of all State Governments for appropriate action.

25 2.62 The Committee consider that the migration of rural population to urban areas is one of the prime factors responsible for the mushrooming of uncontrolled settlements in the urban fringe. The Committee feel that to avoid this type of rapid growth in urban population and to reduce the widening gap between urban and rural areas, a careful and methodical planning for human settlements, including measures to disperse population with adequate housing, employment opportunities, health and education facilities etc. will have to be carried out systematically in rural areas. The Committee are of the view that Gandhiji's idea of India living in villages and making villages self-sufficient and self-reliant to the extent possible is more relevant today than at any other time. Thus Committee feel that resources could be more profitably utilised in rural areas and small towns to arrest the drift of population to the metropolitan cities.

26 2.63 One of the remedies for slum prevention is the dispersal of industries from over-crowded cities to new growth centres or to backward areas. The need for dispersal both of the industries and population from the more congested centres has been recognised long ago, but the Committee regret to note that no concerted measures have been taken in this respect so far.

2.64 The Committee understand that such growth centres and satellite towns have been developed

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with considerable measure of success in some countries like U.K., U.S.A., and Italy. It has, however, to be ensured that the growth centres/satellite towns are self-sufficient with respect to means of livelihood, residential accommodation, community development and utility services. The Committee have dealt with this subject separately in the Chapter on 'Urbanisation'.

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The Committee need hardly point out that only those industries should be allowed in metropolitan and other big towns which are permitted under the Master Plans and concerted action should be taken to shift the others away from the congested areas. Obnoxious industries may not be allowed in the centre of the city as these constitute hazards to health.

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2.66

Another important reason for the congestion in big and metropolitan cities and the consequential generation of slum conditions is that in spite of the acceptance by Government of the Policy of dispersal of industries and offices from these saturated centres, new offices, government as well as private, new industries and undertakings as also new educational institutions and hospitals are being opened in these big metropolitan areas which provide avenues of employment and tend to attract people from smaller cities, towns and rural areas to these urban conglomerations. As housing and other infra-structure facilities are not available to the new migrants, it is obvious that further slum conditions are created in these places. The Committee consider that unless positive and concerted action is taken by Government to deflect industries, Government and other offices as also large educational institutions from these metropolitan towns, it may not be possible to arrest the migration of population to these over-saturated centres and disperse the population to the smaller cities, towns, and new growth

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centres. The Committee would, therefore, like Government to give a lead in this matter to implement in letter and spirit the policy of dispersal of offices and industries etc., to the new growth centres to avoid of slum conditions in big cities.

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2.67

The Committee note that the question of provision of housing by industrial concerns to its employees has been discussed in the past at several levels and the latest recommendations of the High Level Committee of Ministers appointed during 1974 is that "every big industrial concern should build houses for its eligible industrial workers after five years of establishment and provide residential accommodation to all the eligible industrial workers in a phased programme spread over a period of 10 years." The Committee note that as the Ministry of Labour has not favoured this recommendation, it is not considered desirable by Government to make it obligatory for big industrial concerns to build houses for their employees. The Committee have not been informed of the detailed reasons which weighed with the Ministry of Labour to reject the recommendation of the High Level Committee of Ministers. The Committee are, however, inclined to think that industrial units set up in the metropolitan and other big cities have some obligation to pay for the special benefits which they draw upon.

As all costs are at present passed on to Government and the community has ultimately to pay for it, it is desirable that the industrialists, should also bear their due share of the costs by providing housing to a prescribed minimum percentage of their employees, particularly to those belonging to low income groups. In the opinion of the Committee the employer should

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not grudge the provision of this facility to the workers as the latter are the backbone of any industrial unit.

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2.75

The Committee feel that the present law in the country is not effective enough to deal with encroachers and squatters. In this connection, the Committee agree with the views of the Working Group on Slums that "There is a tendency to view squatters settlement in human terms and to discourage any strong action in removing them. While these sentiments are laudable, the ultimate losses are to the community as a whole since indiscriminate squatting pre-empts the option upon a community for the optimum use of urban land. Where necessary, more effective legislative powers should be assumed which make squatting on Government or public lands as a cognisable offence punishable with fine as well as imprisonment....." The Committee are informed that the Maharashtra Government have recently passed an enactment which provides for summary eviction of persons in unauthorised occupation of vacant lands and courts have been barred from entertaining any petition against evictions undertaken under the Act. The Act also provides for a minimum penalty of 6 months imprisonment and fine of Rs. 500/-, the maximum imprisonment being 3 years. The Committee have been further informed during evidence that similar measures, particularly for Delhi to make squatting an offence are under consideration of Government. The Committee would like the Government to finalise the matter without further delay so that they are not faced with renewed problem of squatters after these have been once cleared.

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The Committee would like to point out that the problem of squatters is intimately linked with the problem of shelter and employment oppor-

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tunities. It is, therefore, of utmost importance that while taking action to evict the squatters in the big cities it may be ensured that integrated schemes for providing house sites are formulated so that the basic need of shelter for these persons is solved. The Committee would, therefore, like Government to formulate a well thought out programme of providing house sites and inexpensive building material to resolve the housing problems of squatters and slum dwellers.

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2.77

During their visit to Bombay, the Committee were informed that a large area of land on which about 75,000 huts of slum dwellers are located, belonging to various Ministries/Departments of Government of India, is under unauthorised occupation of squatters. They were informed that under the law the State Governments had no power to directly evict them. The Committee are concerned to note that the Ministry of Works and Housing have no information available with them about the extent to which land belonging to Central Government in Metropolitan and other big cities is under unauthorised occupation. The Committee need hardly point out that Government should collect all relevant data from the State Governments and the Ministries/Departments concerned, such as Railways, Industry and Civil Supplies, Defence, Civil Aviation, Shipping and Transport etc. regarding the area of land belonging to the Central Government which is at present under unauthorised occupation in each State and may devise suitable effective measures in consultation with the State Government to clear such land of unauthorised occupants and take concerted measures to see that such encroachments are not allowed to occur in the future.

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It has been suggested to the Committee that Government should build reception centres or

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'Sarkari Dharamshalas' where the visitors to the city could stay for short periods by paying reasonable rents. The Committee feel that this suggestion is useful and may be considered for implementation by providing much needed shelter to the casual visitors to the city. Such centres may be of dormitory type. The Community services provided there should be maintained in a clean state. These centres should not however, be allowed to be converted into permanent abodes by strictly enforcing the rules in this behalf. Nutritious food at reasonable rates may be made available also in the Reception Centres. The feasibility of enlisting the help of voluntary and charitable organisations for this purpose, may also be examined.

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2.87

The Committee note that the Advisory Committee on Slum Clearance (1958) had recommended that the most effective way of dealing with the slum problem would be to set up Urban Community Development Centres and Extension blocks through which the slums and depressed neighbourhoods in every urban area could be developed. Similarly, the Committee for Slum Clearance/Improvement Scheme etc. (1975) set up on the recommendations of the Conference of the State Housing and Urban Development Ministers held in Madras in 1974, have also recommended that the Urban Community Development Programme must be taken up in all areas where Slum Clearance/Improvement Scheme or the scheme for Environmental Improvement of slums has been taken up.

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The Committee consider that mere physical improvements effected under the Scheme for Environmental Improvement in Slum areas cannot solve the human sufferings of the Slum dwellers unless these are followed up and supple-

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mented by measures to improve the ways of living of the community to increase its own self-reliance. It would be difficult for the improved environments to be maintained as such unless proper community development programmes are initiated in these areas simultaneously. The Committee would, therefore, like to stress that Government should take action expeditiously on the recommendations of the Committee on Slums etc. (1975) and draw up a detailed programme in consultation with the Department of Social Welfare and other organisations in this field both at the Centre and the States, for an integrated urban community development in all cities and towns where the scheme for environmental Improvement is in vogue. The Committee are of the view that such programmes would help to infuse a sense of responsibility among the people inhabiting slum areas and enthuse them to improve their living conditions.

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The Committee also feel that apart from the role which the municipalities and the local bodies are expected to play for the provision of essential basic amenities like water supply, sewerage, sweeping of streets and pathways etc., the residents themselves have a primary duty to keep their abodes and environments in a tidy condition. They should be made fully conscious of their civic responsibilities through community development programmes.

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The Committee feel that there is immense scope for enlisting the aid of voluntary social organisations in the programmes for community development and education of the slum dwellers in cleaner ways of living. In this context, the Committee consider that the organisations like Nehru Yuvak Kendras may be given a useful role in the matter of channelling the energies of the youth for self-help and community service in slum and rural areas.

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36	2.91	<p>The Committee consider it of paramount importance that the economic condition of the slum dwellers is improved to enable them to adopt cleaner ways of living. The Committee feel that assistance of the nationalised and other commercial banks which have built up adequate deposits during the last few years may be sought to ameliorate the conditions of the dwellers in sub-standard areas. For this purpose, it would be desirable if a bank working in the Sector City adopted a sub-standard area on its own or in co-ordination with other banks operating there and earmarked a certain percentage of its income generated in the city for the general welfare and economic development of the area in a well planned and co-ordinated manner. In this connection, the Committee commend the efforts of Bank of Baroda which has financed a large number of small traders and slum dwellers in Dharavi, the biggest slum-pocket in Bombay.</p>
	2.92	<p>The Committee further suggest that the active assistance of the State Industries Institutes and States Small Industries Associations may also be sought in carrying out mini-techno-economic surveys for each group of slums so as to identify the potential entrepreneurs for setting up small scale and cottage industries to provide employment and means of livelihood to the people. It is important that emphasis should be laid on introducing self-employment schemes in such areas. In this connection, the Committee need hardly stress that the best method of improving of slum areas is to bring about meaningful improvement in the economic conditions of the slum dwellers and it is here that the banks etc. can play a leading role.</p>
37	3.12	<p>The Committee note that the country is today facing a gigantic housing problem which is aggravating rapidly as the years roll by.</p>

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The present housing shortage of 15.6 million units, 3.8 million in urban areas and 11.8 million in rural areas is expected to up to 65.6 million units in 2001 A.D. It is estimated that the construction rate is only 2-dwellings per 1000 population per annum. It is observed that between 1931 to 1971, the urban population increased from 34 million to 110 million, which is a three-fold increase in the span of four decades. The highest incidence of shortage has been stated to be in the low income categories in the urban areas. It is evident that the steps taken so far have not been able to make any significant dent on the acute housing shortage.

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The Committee agree that the problem of housing such a large population is of "a colossal order" but as housing is a basic need of human beings, next to food, the Committee consider that it is high time that concerted measures are taken to narrow the widening gap between the requirements and availability of housing in the country, so that the situation does not become unmanageable in the future.

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3.14

One of the problems with regard to housing as indicated in the Draft Fifth Five Year Plan is the lack of availability of data regarding the shortage of housing in the urban and rural sectors, the available data is stated to be 'unreliable and unsatisfactory.' The Ministry of Works and Housing have admitted that in the absence of reliable and satisfactory data regarding housing it is not possible to formulate short and long term plans for dealing with the housing problem. The Committee, therefore, would like Government, in consultation with State Governments, to initiate necessary steps for collection of data in regard to housing requirements so that the problem is viewed in its correct perspective and measures taken to deal with it in the context of the resources on

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		hand and the resources which can be generated. The Committee need hardly emphasise that assessment of the actual housing needs particularly for the economically weaker sections of society and low income groups may be made and perspective plans prepared for meeting the housing shortage within a time bound programme.
39	3.15	The Committee agree that formulation of housing plans is primarily the responsibility of State Governments, but considering the gravity and vastness of the problem and limited resources of the States, the matter cannot be left entirely to the State Governments and the Central Government will have to accept a large measure of responsibility for financing and guiding the State Governments to undertake perspective planning in respect of housing programmes, at least, in the metropolitan and other big industrial cities where congestion and shortage of housing have become acute in recent years. It is also imperative that Government should watch closely the implementation of policies and programmes under the Urban Land Ceiling Act which has recently been enacted by Parliament for socialisation of land in certain selected towns.
40	3.16	The Committee consider that in the context of social housing schemes, the construction of luxury houses has no place. Effective action should therefore be taken to discourage the construction of large and luxury houses to ensure social use of land in the light of provisions of Urban Land Ceiling Act. This idea was also expressed in clear terms by the late Prime Minister Nehru in the following terms:—

“If we are to have large scale housing construction we must undertake various sizes of houses of course, but the really

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big ones must be avoided and not even encouraged so far as private owners are concerned."

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3.17

The Estimates Committee which visited some of the towns in Haryana were given to understand that under a imaginative nationalisation scheme, new complexes housing all the district offices of the Deputy Commissioner, Magistrates, Civil Supply Officers, etc. have been housed in one integrated complex. The Officers and staff have also been provided with residential accommodation nearby on a planned basis. The old houses with huge compounds of the civil officers from colonial days have been done away with and the land released put to public use either for construction of houses by co-operative societies or auctioned to the public at remunerative prices to generate resources. The money realised from the disposal of the valuable land has been utilised for building the modern complex of integrated offices as mentioned above.

The Committee have been given to understand that one of the constraints coming in the way of undertaking a meaningful programme of housing for the weaker sections, is paucity of land. The Committee feel that the approach adopted by the Haryana Government as outlined above, may well provide an answer.

The Committee would like Government to study the matter in depth and prepare a model scheme for circulation to the State Government etc. for putting to rational use the huge land existing in the colonial houses of civil officers in the districts and put it to use for providing houses to the people in general, particularly those coming from the weaker sections of society.

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The Committee need hardly stress that the complexes to house the district offices and provide accommodation to the officers and staff

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nearby should also be developed simultaneously as per a time bound programme so that the rationalised scheme is implemented smoothly and successfully.

3.19 The Committee would further urge Government to simplify the laws of property over land in the metropolitan and other big cities so as to ensure social use of the property in the interest of the community.

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3.27

The Committee note that a statement on the Housing Policy was for the first time made in the Parliament on the 14th August, 1957. The statement laid emphasis on subsidy in housing to the needy persons with meagre income and on setting up Housing Corporations in the States to help with financial assistance to those who could perhaps do without subsidy. The Committee, however, note that this statement has not been followed up by setting forth National Housing Policy so as to provide clear and firm guidelines for the housing programmes.

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The Committee would in this connection refer to their recommendation in the Thirty-Seventh Report (1972-73) and Sixty-Seventh Report (1974-75) that Government should formulate the National Housing Policy without any further delay. The Conferences of the State Housing Ministers have also recommended formulation of such a Policy. The Committee are concerned to note that no conclusive action has been taken by Government on the recommendations and the matter is still engaging the attention of the Government.

The Committee are not convinced by the necessity of setting up another Working Group in November, 1975 to study the material already collected on matters connected with housing and indicate the areas for future study, when the spade work had already been done by a

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Steering Group at the time of the formulation of the Fifth Five Year Plan.

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The Committee are unhappy at the delay in coming to a decision in this important matter which needs to be dealt with on an urgent footing. They would urge Government to bring out the National Policy on Housing without further loss of time. The National Housing Policy may, *inter alia* spell out in clear terms the responsibilities of the State/local Governments in the matter of area planning, acquisition and development of land, environmental improvements, provision of infrastructure facilities, development of growth centres and satellite towns etc. It would also be desirable if the obligation of employers in providing houses to their employees as also the role of the financial institutions in providing necessary finance for housing activity may also form part of the National Housing Policy. The Committee further suggest that the National Housing Policy should be reviewed periodically in the light of experience gathered and availability of resources.

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4.11

The Committee note that the Ministry of Works and Housing had introduced 10 Social Housing Schemes to meet the housing needs of the economically weaker sections of the society, low-income group of people, industrial and plantation workers etc. All these schemes, except the scheme for Provision of House Sites to Landless Workers which was introduced in 1971, were introduced between 1952 to 1960. The Committee also note that since the inception of the schemes, out of about 9 lakh houses sanctioned, 6 lakh houses have been constructed. The Committee feel that considering the long period these schemes have been in operation and the ever increasing housing shortage, particularly for the economically weaker sections of society, the programmes

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underaken under these schemes are far from adequate. There is need for perspective and comprehensive housing programmes in the national framework, setting out specific goals and targets specially for catering to the housing needs of the urban and rural poor, and those belonging to the low income groups. The Committee feel that the Government should review the progress made under each of the schemes with particular reference to the targets fixed and achieved in order to identify the reasons for short-fall and to see how far these schemes have fulfilled the aims and objectives for which they were introduced. In this connection, the Committee would also like to draw the attention of the Government to the reference made in the draft Fifth Five Year Plan document that "the existing system of financing and execution of various social housing schemes on a compartmentalised basis will have to be reviewed, preference being given to composite housing schemes catering to all income-groups so that whilst such schemes are economically viable as a whole, it is possible to subsidise the economically weaker sections at the expense of persons belonging to the upper income brackets. For social housing it is proposed to shift the emphasis from public housing constructed for rental purposes to housing whose ownership can be transferred by outright sale or through hire-purchase system."

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4.12

As regards shortfall in expenditure during the Plan period, the Committee note that in the First Plan it was Rs. 13.33 crores out of a total allocation of Rs. 37.50 crores (about 35 per cent). The position in the Second and Third Plans was also far from satisfactory as the shortfall in expenditure was Rs. 11.39 crores (about 10 per cent) and Rs. 31.45 crores (17 per cent) against the allocations of Rs. 101.14 and Rs. 179.00 crores respectively. The Committee are, however,

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glad to note that the financial allocations during the Plan holiday (1966—69) and the Fourth Plan were put to full utilisation. The Committee note that a provision of Rs. 348 crores has been made for various social housing schemes in the draft Fifth Plan. The Committee hope that optimum use will be made of the resources available as also achieve the physical targets laid down.

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4.3

The Committee further note that there is a declining trend in public investment in housing in relation to total public investment from one plan to the other. The percentage of public investment in housing to total public investment had declined from 16 per cent in the First Plan to 8 per cent in the Second Plan, 7 per cent in the Third Plan, 5 per cent in the Fourth and to 3 per cent in the Fifth Plan. It is a matter of concern that the priority for housing is (progressively getting lower from one Plan period to the other, though it is generally recognised that a positive housing policy contributes to economic development and social welfare. The Committee would like to point out that already various countries are putting more investible funds in housing because not only it raises the productivity in general but also generates employment opportunities for labour, engineers, architects etc. In developed and developing countries like USA, Canada, West Germany, UK, Italy, Iran, Iraq, Sri Lanka etc., the housing investment has been about 20 per cent or more of total investment. The Committee, therefore, recommend that Government should undertake a review of the housing policy, the priority accorded to housing in the national plans and funds allocated therefor urgently and accord a higher priority to housing which is a basic need.

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4.14

While the Committee note that there are large avenues open for Scheduled Castes and

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Scheduled Tribes for getting houses out of the existing social schemes, they apprehend that on account of their weak financial position, the members of Scheduled Castes and Scheduled Tribes may not derive the maximum benefits out of the social housing programmes. The Committee would however like Government to give wide publicity to the social housing schemes for Scheduled Castes and Scheduled Tribes and Weaker sections of society so that these schemes are well known to these people.

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4.15

The Committee need hardly emphasise that funds may be allocated for housing for these communities in the State Plans with reference to their population. Besides this, the State Governments may also be asked to arrange loans for them on easier terms in consultation with financial institutions. The Advisory Committees for Scheduled Castes and Scheduled Tribes may also review the position in this regard from time to time. It may also be desirable to earmark areas in integrated colonies for housing them in years to come as these communities grow in economic strength.

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The Committee are unhappy to note that the State Governments who are required to furnish to the Ministry of Works and Housing, quarterly|half yearly progress reports under the various social housing schemes have not been sending such reports regularly and in time. They observe that in some cases, progress reports have not been furnished since 1968 or 1969 and in a majority of cases the reports have been due for two years and more. The Committee note that the need for sending these progress reports to the Ministry in time has been emphasised at the Conferences of State Ministers for Housing and Urban Development, held at Madras in 1974 and at Bhopal in 1975. The Committee would like the Government to urge upon the State Govern-

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ments the importance of the progress reports again.

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The Committee suggest that Government may call the State Housing Commissioners or the Senior Officers incharge of Housing to sort out the matter where the reports have not been received persistently for a long time. The Committee need hardly emphasise that the Reports should contain only essential data for meaningful monitoring and for extending assistance as required.

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The Committee are distressed to note that while 80 per cent of the population live in rural areas, the housing condition of people living in rural areas are by no means satisfactory. The Committee note that according to the assessment made by the Study Group on Rural Housing (1975), the numerical rural housing shortage on the eve of the year 1976 would be about 13-14 million units. As regards quality of the houses, essential services, space standards etc., the Committee note that about 76 per cent of the houses in rural areas have 1-2 rooms and that sanitary facilities generally do not even fulfil health standards as about 97 per cent of the rural houses have no latrines or bath-rooms. The Committee are further surprised to note that despite planning process, housing standards in the rural areas have not improved, but on the contrary there has been some de-generation, the reason being the absence of sectoral balanced allocation. For example, it is unfortunate that less than 10 per cent of the total planned provision for housing is allocated to rural housing in the Plans. The housing situation has further deteriorated on account of low rate of construction of rural dwelling units, including 'Kutcha' serviceable and non-serviceable, units which has been 2.3 units per 1000 population per annum.

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4.39	<p>The Committee note that the Village Housing Projects scheme introduced during the Second Plan in 1957 has not made much headway as since the inception of the scheme only 59659 houses have been completed against a total of 96299 units sanctioned. Some States like Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Tamil Nadu do not appear to have shown the desired enthusiasm towards the scheme as construction in those States has ranged between 36 to 54 per cent as compared with the total units sanctioned. The Fourth Plan sub-Committee on Rural Housing recognised that "the progress in the village housing since 1957 and upto the end of Third Plan did not touch the enormous problem of rural Housing and tackled only 5000 villages or less than one per cent of the 567000 villages in the country. Within this frame, upto the end of 1963, of the 5000 villages, actual schemes were started in only 2003 villages". The main reasons for slow progress are stated to be inadequate administrative and technical machinery for implementing the scheme and low priority accorded to Village Housing Scheme by the State Governments. The Committee urge that Government should realise the urgent need for improving housing stock in the rural area and for that purpose, gear-up the implementation machinery and make necessary planning in this direction. The Committee consider that the emergency measures conceived under the new Economic Programme can speed up the process only if accompanied by necessary financial assistance to develop the land, build houses and provide such amenities as drinking water and sanitation etc. This has to form part of a package programme to make the rural poor economically self-reliant.</p>	

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and that a lesson may be drawn from the scheme for rural housing in some States, which aimed at development of newly acquired sites and house construction through an integrated effort, combining Government planning and financing, with the mobilisation of voluntary labour and capital of the beneficiaries themselves. The new approach should therefore lay emphasis on State involvement through planning, direction and investments and organised and active participation by the rural people themselves.

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The Committee note that the Study Group on Rural Housing (1975) has made a number of valuable suggestions on the problem of rural housing, as a part of integrated development of rural areas. Taking this as a basis, the Conference of State Ministers of Housing and Urban Development held at Bhopal in October, 1975, has recommended that (1) 83.5 per cent of bank deposits and accruals from LIC should be immediately made available for rural housing programmes, (2) the rural housing programme should be sufficiently linked up with rural development programmes, consisting of a deliberate public policy of decentralisation of production and employment in the rural areas, and (3) a Rural Housing and Development Corporation as recommended by the Study Group on Rural Housing may be set up to concentrate on rural housing. The Committee feel that these suggestions call for expeditious and conclusive action to give them a practical shape.

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4.42

The Committee note that the Governments of Gujarat, Haryana, Tamil Nadu and Punjab have already set up a separate organisation like Rural Housing Board or similar organisation to take up the work of rural housing etc. The question of formulation of a rural housing board is stated to be under consideration of the West Bengal State Government also. As regards the question of setting up a rural housing Board by

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other States, the Committee do not share the views of the Conference of the State Ministers held at Madras in 1974 that it was not necessary to set up such a Board in every State. The Committee feel that the housing problems of the rural poor have not been given close attention so far and as such there is need of a separate body which should exclusively look into such matters and draw up package programme in consultation with other bodies for an integrated development of the rural areas and arrange for finances to implement such programmes. The Committee would, therefore, urge Government to prevail upon the remaining States to take urgent steps to set up rural housing boards or similar other suitable organisations without loss of time, so as to serve as a focal point for purposeful direction of efforts in rural housing.

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4.54

The Committee note that the scheme for provision of house-sites for landless workers in the rural areas was introduced in October, 1971 as a central sector scheme with cent per cent grant assistance to meet the entire cost of acquiring and developing land for providing house-sites. The Committee also note that the scheme was transferred to the State sector from the commencement of the Fifth Plan i.e., 1st April, 1974. During the period the scheme was in the central sector 15 States had submitted 1507 projects to the Central Government involving an assistance of Rs. 10.5 crores for development of 317,645 house-sites against 885,502 sites approved for development. The Committee feel that though the scheme was a step in the right direction, yet the progress made upto the end of the Fourth Plan was not upto the expectations and aspirations of the rural people. The Committee are, however, glad to note that the implementation of the scheme has picked up after the declaration of the Emergency in the country. The scheme is now a

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part of the Prime Minister's 20-Point Economic Programme which has created a new awareness and sense of urgency for expeditious implementation of this programme. The Committee are informed that as per the reports received upto 31st January, 1976, about 6 million workers out of the estimated 1 million landless workers in the country, have been allotted house-sites since the inception of the scheme. The Committee are aware that the task of providing house-sites to nearly 12 million landless workers in the rural areas who are denied this basic amenity is, no doubt, a stupendous and challenging task. The Committee, however, consider that for the successful completion of the scheme, the present tempo of implementation will not only have to be maintained but accelerated. A time-bound programme may be formulated in each of the States to complete this job. The Committee need hardly point out that to make this scheme a success it is necessary to plan and implement it at the grass-root level.

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Though the scheme did not envisage any grant of financial assistance for construction of houses on the sites allotted, yet the Committee note that some States like Karnataka, Kerala, Madhya Pradesh, Maharashtra, West Bengal and Tamil Nadu have on their own made some arrangements for construction of houses on the house-sites and according to the information furnished to the Committee, the number of such houses is 1,02,628. While commending these efforts on the part of some States, the Committee urge that other States may emulate these examples. In this connection, the Committee suggest that State Governments may arrange financial assistance for the landless workers from financial institutions like banks, LIC, etc. at concessional rates of interest. At the same time the Committee also feel that with the best of intentions the official machinery alone can-

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not grapple with such a gigantic problem unless complete involvement of the beneficiaries themselves in the programme is assured. In this connection, the Committee would like to sound a note of caution that the construction of houses, whether through Government or voluntary efforts, should be according to a well-planned layout, with approved construction designs, combined with provision of infra-structure facilities, so as to avoid degeneration of the areas into slums.

56	4.56	<p>The Committee further note that there are certain bottlenecks which slowed down the progress of the scheme. These are stated to be (1) the State Governments had not made a survey of the landless workers in rural area, (2) inadequacy of present norm of Rs. 150 for development per site due to rise in cost of development, and (3) inadequate machinery to implement the scheme. The Committee would like the Government to analyse in detail the reasons for slow progress of the scheme and take remedial measures expeditiously so as to accelerate its implementation.</p>
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57	4.57	<p>The Committee further note that the Conference of the State Ministers of Housing and Urban Development held at Bhopal in October, 1975 has made a number of recommendations such as (i) allottees be given actual possession of sites (ii) scope of the scheme be extended to all landless workers, artisans, fishermen etc., (iii) present ceiling of Rs. 150 be raised, etc. The Committee would like the Government to take decision on these recommendations expeditiously so that the implementation of the scheme is expedited.</p>
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58	5.14	<p>It is well known that serious problems have been created by heavy concentration of urban population and industries in metropolitan and</p>
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large cities and continuous flow of immigrants from rural areas to these cities, etc. These have resulted in impoverishment of villages and unbalanced growth of cities, shortage of houses and worsening of social and economic conditions in urban areas, leading to slums and social tensions. The already inadequate essential services of transport, water supply, drainage, power, schools, hospitals, etc., also come under heavy strains. It is therefore imperative that a strategy for arresting these trends should be evolved and implemented without delay before the situation becomes unmanageable.

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5.15

The Committee note that the question of formulation of a National Urbanisation Policy for a rational and equitable approach in guiding future urbanisation trends, has been engaging the attention of the Government for a long time. This matter has also been highlighted at the Conferences of the State Ministers for Housing and Urban Development. It has been discussed thoroughly in January, 1975 by a Group of Experts drawn from various disciplines. The Committee also note that after all these exercises, a Resolution on this subject has been drafted which has since been circulated to all concerned Ministries, i.e., Agriculture, Industry and Civil Supplies, Science and Technology, Energy and Planning Commission. The main objectives of the Resolution on National Urbanisation Policy are to secure optimum distribution of population between rural and urban settlements, bringing about the distribution of economic activities in small, medium towns and new growth centres, arresting further growth of metropolitan cities by dispersal of economic activities and providing basic amenities like housing, water-supply, health, education, etc., for improving the quality of life in rural and urban areas.

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60	5.16	<p>The Committee need hardly emphasise that the problem of urbanisation has to be solved by concerted efforts of the Centre and the States on an urgent footing and would therefore urge Government to finalise the National Policy on Urbanisation as the first step at a very early date, so as to provide clear and specific guidelines for development of urban and rural areas in an integrated and co-ordinated manner. It is of crucial importance that the strategy indicated in the policy resolution should be translated into concrete time bound programmes for meaningful implementation.</p>
61	5.17	<p>The Committee would like Government to place the National Urbanisation Policy Resolution before the Parliament so as to provide an opportunity to the Members and the public for expression of views.</p>
62	5.23	<p>The Committee note that the Land Acquisition and Development Scheme which was initially introduced as a central scheme in 1959, is now in the State sector like other social housing schemes. The Committee regret to note the slow progress made in the acquisition and development of land. Only 17 States out of 22 have reported progress since inception of the Scheme. Moreover against a total area of 73,000 acres sanctioned for acquisition and development, 28000 acres have been acquired and about 15,000 acres only have been developed. As availability of land is the first pre-requisite for any housing programme under the social housing schemes for economically weaker sections of society and other low-income groups, the Committee feel unhappy at the unsatisfactory progress made in the acquisition of land. The main reason for the failure of the Government to tackle the problem of acquisition of land on a large scale and at a reasonable price for housing programmes, may well be due</p>

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		<p>to lack of firm and clear cut policies on urban land and housing, with the result that the States have been following different policies on urban land and housing. The Committee hope that the High Level Committee set up under the Chairmanship of the Minister of Works and Housing will make an indepth study of all these matters and make suitable recommendations in this behalf.</p>
63	5.24	<p>The Committee welcome the enactment of the Urban Land (Ceiling and Regulation) Act, 1976 which aims at bringing about socialisation of land in urban areas and hope that this measure will enable the State Governments to acquire the excess land in their urban areas for constructing houses in a big way for the people, particularly those belonging to economically weaker sections of society and lower-income groups. It is well known that the housing needs of these sections of people have not received due attention so far because of land scarcity, high cost of land and building materials, etc.</p>
64	5.25	<p>The Committee feel that finance for land acquisition should not now pose a great constraint as the price at which the excess land would be acquired has already been specified in the Act. The Committee need hardly emphasise that Government will have to play a more active role in the implementation of the provisions of the Act and in drawing up an effective plan of action to utilise the land for social purposes and the benefit of the weaker sections of society.</p>
65	5.26	<p>The Committee further suggest that a meaningful monitoring system may be devised to collect information regarding the acquisition of land under the Act and the purposes for which it has been utilised so that suitable guidelines may be provided at the earliest for the utilisation of the land for the intended purposes.</p>

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66	5.39	<p>The Committee consider that the formulation of the Regional Plans, viz., the National Capital Region Plan, Bombay, Metropolitan Regional Plan, the Basic Development Plan, Calcutta Metropolitan Development and the Plan for the Madras-Chenglepet Region, is a step in the right direction. They would, however, stress that there is need for concerted follow-up action for the implementation of these Plans according to well laid priorities and time-bound programmes.</p>
67	5.40	<p>The Committee are distressed to note that the National Capital Region Plan which was conceived several years ago has not made much headway in the deflection of the population of Delhi to the ring towns which are required to be developed suitably for the purpose. It has been brought to the notice of the Committee during their visit to Gurgaon and Faridabad ring towns in February, 1976 that as the decentralisation of trade and official activities were not being done by the Centre as envisaged in the National Capital Region Plan, building activity in Gurgaon and Faridabad has almost come to a standstill. The Committee are concerned to learn that even the funds earmarked in the draft Fifth Plan for the National Capital Region have not been released according to schedule. As against an allocation of Rs. 20 crores made in the draft Plan, the Haryana Government have received Rs. 10 lakhs only for the year 1974-75 and that too on the last day, i.e., 31st March, 1975. Allocation for the year 1975-76 has also not been released till February, 1976. The Committee need hardly point out that the project has not been given the close attention that it deserved to speed up the development of the region.</p>
68	5.41	<p>As regards shifting of the offices/establishment to the ring towns of National Capital Region, the Committee are distressed at the lack of progress made in this regard. In this connection,</p>

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the Committee would like to draw the attention of Government to the recommendation made in their 74th Report (1974-75) wherein it has been pointed out that "although it is the policy of Government since 1948 to shift offices outside Delhi with a view to relieving congestion both in the matter of office and residential accommodation as also to relieve excessive pressure on land and various civic amenities in the Capital and that no new office of the Central Government or semi-Government organisation can be opened or shifted to Delhi without the express approval of the Cabinet, there has been no worthwhile progress in the implementation of the policy". The Committee had further emphasised "the need to shift offices outside Delhi and other Metropolitan towns, not only in the interest of relieving congestion from these over-saturated cities of population but also to give a fillip to the development of ring towns". The Committee urge that in order to relieve the congestion as also to reduce pressure on civic amenities in the Metropolitan cities, it is high time that Government should identify at a very early date such offices as can be shifted from Delhi and other metropolitan cities and take concerted follow-up action to shift them according to a time-bound programme. It need hardly be pointed out that the example in this regard has to be set up by the Government themselves, if congestion in cities is to be reduced.

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As regards other cities, the Committee consider that there is need that the growth potential of the existing small and medium towns is fully explored so that new centres of growth are developed in the region to serve as counter magnets to wean the population from larger cities. The Committee may point out that even in advanced countries, like U.S.A. there is a growing trend to move from the larger over-crowded cities to

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smaller cities and towns. As reported in the press, between 1970 and 1974, over 1.7 million more Americans left the big metropolitan areas than moved into there. Out of the 16 metropolitan areas with more than 2 million people each, eight are reported to have lost population since 1970. The Committee need hardly emphasise that while planning the new growth centres, care may be taken to ensure that the planning is on sound lines and that infra-structure and basic amenities are fully provided for and that there is sufficient margin for an orderly expansion and growth in the years to come.

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The Committee note that the draft Fifth Five Year Plan envisages a new Central Sector Programme for implementation of urban development projects of National Importance and stipulates financial assistance to the State Governments to supplement their efforts in this direction, so as to obtain maximum benefits from this supplementary assistance. The Committee note that for Central assistance under the Scheme for Integrated Development of Metropolitan Cities and Areas of National Importance Government have laid down the following guidelines—

- (i) The State Government should have an integrated plan for the development of the city as well as specific projects for financing;
- (ii) A comprehensive Town and Country Planning legislation should be enacted;
- (iii) Statutory Planning and Development Authority should be set up with adequate powers for planning, coordinating, implementing, funding and supervising the programmes;
- (iv) The State Governments particularly those getting assistance for Metropolitan areas

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should accept and adopt a policy of dispersal of industries and other economic activities from Metropolitan areas to smaller growth centres.

5.51 The Committee note that during 1974-75, the first year of the Fifth Plan, only 5 cities, viz., Calcutta, Madras, Ludhiana, Indore and Bhopal availed of the assistance under the Scheme and many other States had emphasised difficulty in formulating integrated urban development projects particularly on account of lack of experience of their personnel in preparing such projects.

5.52 The Committee are surprised to note that the Scheme was introduced without ensuring proper machinery and expertise for formulation and execution of projects under the Scheme. The Committee are informed that now some workshops have been organised for imparting training to State officers to build up necessary expertise for formulation of suitable projects under the Scheme. The Committee feel that in addition to the training of State officers in the workshops, it will be of great help to the State Governments if the Centre extends help and makes available expertise as required to the States in the formulation of the projects/schemes.

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The Committee would also like to emphasise that a time-bound programme may be prepared to cover the remaining cities with a population of 3 lakhs and above in the first instance. In the light of the experience gained the scheme may be considered for extension to the cities with one lakh population. It would be desirable if suitable guidelines are provided for the development of these cities, which should take into account the potentiality of population growth over a period of time and makes provision for a modular type of growth.

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72	5.58	<p>The Committee note that Government have constituted a Task Force on Housing and Development of medium and small towns and cities in November 1975 to (i) assess the pattern of evolution of towns and cities since Independence; (ii) suggest suitable modifications to the laws relating to local administration and urban development in order to assist in the planned growth of small and medium towns; (iii) formulate guidelines and regulations relating to matters such as zoning, set backs, building controls, etc. The Committee would like the Government to ensure that the Task Force completes its studies within a specified time-schedule so that the results of the studies are utilised for drawing future policies and programmes for an integrated development of medium and small towns.</p>
73	6.20	<p>The Committee note that the Housing and Urban Development Corporation (HUDCO) was set up in 1970 to co-ordinate the activities of the Government in the field of financing housing and urban development programmes in the country. The Committee also note that the activities of the Corporation are quite broad based as these include setting up new or satellite towns, setting up building material industries, besides financing and undertaking the housing and urban development programmes.</p>
	6.21	<p>The Committee further note that out of 695 schemes received by HUDCO since its inception 289 schemes have been sanctioned, whereas 201 schemes have either been withdrawn or not sanctioned.</p>
	6.22	<p>The Committee feel that the number of schemes withdrawn or not sanctioned is on the high side. They consider that the time and energy involved in the processing of such schemes can be saved if the Corporation gives wide</p>

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publicity to the guidelines which lay down the pre-requisites for submission of schemes for loans so that the schemes are submitted only where they fulfil the conditions. As regards the applications still pending, the Committee see no reasons why such a large number of applications remain pending. The Committee need hardly emphasise that concerted action should be taken for their quick disposal. The Committee further feel that there is need for streamlining the procedure under which the schemes should be scrutinised at the preliminary stage to see whether they fulfil the conditions for meriting grant of loan so that only those schemes remain on the live register which need final and detailed scrutiny.

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6.23

The Committee note that as one of its objectives is to finance or undertake wholly or partly the setting up of satellite towns, the Corporation has been financing the projects in New Bombay, Yehlanka (a new town near Bangalore), Austin Town (near Bangalore), Hubli-Dharwar, Mohali (Chandigarh), Panchkula (Chandigarh) etc. The Committee hope that efforts of HUDCO in this direction will continue in an increasing measures so that a chain of new satellite towns is set up to deflect the over-population of major cities.

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6.24

The Committee note that 60 per cent of HUDCO's funds go to State Housing Boards for housing schemes. The Committee consider it of paramount importance that this expenditure is incurred on financing the social housing schemes which are primarily intended for housing the economically weaker sections of society and

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lower income groups. To achieve this end, the Committee would like the Government to review the position in co-ordination with HUDCO, State Governments and State Agencies to ensure that the funds are judiciously distributed to the States housing agencies with reference to the magnitude of housing shortage for EWS and LIC and not on the basis of capacity of the State Governments to prepare and execute the housing schemes.

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The Committee note that 16 States and 3 Union Territories have set up Housing Boards under their enactments and that they are the main agencies to implement housing programmes in the States both in the Urban and rural areas, though their activities are largely confined to the urban areas. The Committee also note that Gujarat, Haryana, Tamil Nadu and Punjab States have set up a separate Housing Board for undertaking housing programme in rural areas. The Committee have recommended elsewhere that Government should give more attention to the housing programme in rural areas and that separate Housing Boards for rural areas may be set up in each State. The Committee feel that where due to paucity of resources or other reasons, it is not feasible to do so, the State Governments may consider extending the activities of the existing Housing Boards to the rural areas as well so that this important sector is not neglected in the matter of housing, particularly when under the Prime Ministers 20-Point Programme, all-out efforts are required to be made to make the programme a success.

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6.31

It has been brought to the notice of the Committee that certain Housing Boards suffer from various difficulties in the matter of accelerating the construction of houses, particularly for the weaker sections of society and lower in-

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		<p>come groups—such as, inadequate funds for carrying out socio-economic survey, non-existence of technical organisation for advance planning, delay in getting land, adequacy of loan assistance from financing institutions, etc. The Committee would like the Government to go into this matter so as to enable the Housing Boards to work more effectively.</p>
78	6.41	<p>The Committee note that the Life Insurance Corporation is investing in the socially oriented sectors, i.e., public/co-operative OYH sector to the tune of 25 per cent of its investible funds. They also note that L.I.C. has emerged as one of the most important suppliers of long term credit for housing in India and that in the formulation of the Annual Plans of the States, it is only LIC's loans to State Governments for social housing schemes that are reckoned as resources for the Plan. The Committee also note that the LIC investment on these schemes is progressively increasing every year, i.e., from an average of about Rs. 12 crores per annum during the Third Plan, it has risen to Rs. 17.8 crores during 1975-76, the second year of the Fifth Plan.</p> <p>The Committee note that the Working Group appointed to consider the various aspects of investment of funds of LIC in housing programmes has since submitted its report and has <i>inter alia</i> recommended that the allocation of LIC funds for housing sector may be reviewed from year to year basis through discussions, between the LIC, Ministry of Works and Housing, Ministry of Finance and Planning Commission. The Group has recommended an allocation of Rs. 53 crores for the year 1975-76 for housing sector to State Governments, HUDCO and Apex Co-operative Housing Finance Societies.</p>

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6.42 The Committee consider it more appropriate if the allocation of funds of LIC to State Governments is made on the basis of certain prescribed percentage of Corporation's accruals so as to avoid delays and uncertainties in such allocations which are likely to occur under the procedure, proposed by the Working Group.

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6.51

The Committee note that commercial banks are at present extending financial support for housing programmes mostly through subscription to market borrowings or debentures that may be floated by the State Housing Boards, etc. and that due to increasing commitments to borrowings of Central and State Governments and the requirements of the priority sectors and schemes of high production significance, the capacity of banks for direct lending to housing programmes is rather limited. Another reason for not lending substantial amounts for housing directly is that the housing schemes are stated to be having long gestation periods.

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The Committee regret to note that the recommendations of the Banking Commission made in 1972 which *inter alia* include giving of short and medium term credit to house builders in order to enable them to undertake mass housing construction programmes are still under consideration of Government in spite of the fact that the Committee in their 37th Report (1972-73) stressed the need for early decision in the matter. The Committee are unhappy over Government's taking such a long time in coming to a decision on this vital matter which affects the basic need of human beings. The Committee consider that apart from the fact that the acquisition of a house adds to an individual's welfare and is a highly coveted asset, the construction of houses helps a chain of ancillary industries and generates employment. It is well known that commercial

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banks flourish largely on the deposits of common people and as housing serves one of the social need of a common man it is desirable that banks should spare a prescribed percentage of their income and deposits for providing funds for housing, particularly for those belonging to weaker sections of society and lower income groups.

NEW DELHI;
April 28, 1976

Vaisakha 8, 1998 (S).

R. K. SINHA
Chairman,
Estimates Committee.

APPENDIX IX

(Vide Introduction to the Report)

Analysis of Recommendations

- A. *Recommendations for improving the organisation and working* : 2, 3, 4, 5, 6, 7, 8, 10, 11, 14, 15, 17, 18, 21, 24, 27, 28, 30, 31, 32, 33, 34, 38, 43, 44, 45, 47, 49, 50, 51, 52, 53, 54, 56, 57, 58, 59, 60, 62, 65, 66, 68, 69, 70, 72, 73, 76, 77.
- B. *Recommendations for affecting economy* : 9, 12, 13, 19, 20, 22, 23, 29, 35, 36, 40, 41, 42, 75.
- C. *Miscellaneous Recommendations* : 1, 16, 25, 26, 37, 39, 46, 48, 55, 61, 63, 64, 67, 71, 74, 78, 79.