

that the hon. Members of the ruling party will say that the Government is aware of the problem and it is being solved and progress has been made in this regard, but I think that the number of houses damaged due to floods and rains every year is more than the number of houses constructed for the poor. Because of this situation, the problem is becoming all the more serious in spite of the fact that the Government constructs new houses every year. This problem has assumed alarming proportions now and we will have to give high priority to it.

Several housing schemes are under way in the country at present. In the States also houses are being constructed for low income groups, middle income groups, high income groups and the poorer sections of the society and the housing corporations are engaged in this job. But our experience is that through these corporations, those people are getting houses who already own houses and are well-to-do. These people let out their houses which bring handsome income to them. You can observe this phenomenon in Delhi or at any place. Everywhere the situation is the same. The houses which have been constructed so far under different schemes have been allotted to such people as have money and other resources or to those who already have houses. I am of the view that the Government is aware of all these things. In Delhi this type of bungling is being indulged in openly. Be he an officer of the Government, a public servant or people's representative, everyone lets out his house and earns a lot.

The Government under this Bill has decided to establish a housing bank. If this process continues, and there seems to be every possibility of its continuing, you will not be able to achieve the object of this Bill. The reason is that you are not bothering to know as to who needs the house first of all. A person who has neither land nor house needs the house first of all.

[English]

MR. DEPUTY SPEAKER : You can continue next time. Now we shall take up "Half-an-hour discussion."

17.30 hrs.

HALF-AN-HOUR DISCUSSION

FIVE STAR HOTELS

SHRI SHANTARAM NAIK (Panaji) : Mr. Deputy-Speaker Sir, I am raising in this half-an-hour discussion on the unstarred question No. 356 dated 9.11.87. The basic objective behind raising this question is the present policy or any decision or any trend towards Five Star Hotels that we are having in this country. With this objective, I had asked the question under reference, namely 'whether his Ministry have evolved a policy with respect to the opening of new Five Star Hotels in the country'. Sir, unfortunately, whether there exists a policy or not, even this answer has not been given. The question is that—I cannot force an answer—whether there exists a policy or not, I think in all humility I was entitled to get an answer. But it was not replied to. Secondly, in reply to part (c) of the question, namely 'Whether Government are in favour of allowing unlimited number of Five Star Hotels in the country', the Government could say whether they are in favour or they are not in favour. This aspect was also not replied to. Thirdly, my specific part of the question was this 'If not, the ratio of Five Star Hotels with small and medium hotels and details thereof'. I still do not understand why this ratio was not given : In any case, since we are discussing now, I am confident that he will highlight these aspects.

First of all, I would like to know from the hon. Minister whether there exists any gradation of hotels into Five-Star, Four-Star or Three-Star, whatever it is, and if this gradation of hotels is there, whether this gradation has been fixed by any Central Law or any State law or whether any guidelines are issued by the Central Government or State Government.

Secondly, if such gradation exists, then what are the special features of each category of the hotels, which is very essential. I would be glad if the hon. Minister, gives that information to me. This is specially because in the answer which was given to me, it was stated that 'According to the Indian Institute of Public Opinion's Report,

there is a shortage of hotel accommodation of the approved category at most of the tourist centres in the country'. Even what is the [approved category was not stated and it is very difficult to know what is the category of the hotels. Therefore, I would be glad if this information is also given to me.

Now, in Goa, there is a strong opposition to the Five-Star Hotels. This was started because the then hon. the Union Minister, Mufti Mohd. Syed went to Goa and in the Press Conference, he said that in Goa by the turn of this century, for every five kilometre there will be a Five Star Hotel. In fact, he gave the number that in the next ten or twelve years, there will be 19 Five Star Hotels. The moment the Union Minister for Tourism made a statement of this magnitude, even those who were not averse to any Five-Star Hotels were taken aback. Because they know the implications of what Five-Star hotels mean. Therefore, from that day onwards, the controversy started and some associations started opposing it. So much so—it is not good; I will also not agree—that when contour flights taking tourists from Germany came last week in Goa, these people from the association went to the airport and threw eggs on the foreign tourists who had come. This is very bad. This will very adversely affect our tourism in future. This has happened because when some associations were opposing these 5-star hotels, I think, from the State Government side also they should have been called. discussed the matter and correct policy, whatever it is, should have been evolved. On the contrary, as far as Goa is concerned, what has happened is that Goa has prepared a master plan and unfortunately in that master plan encouragement to 5-star hotels has been given. To my question No. 356 also, you listed out various facilities that the Central Government gives to the opening of 5-star hotels. That is not bad. But ultimately the ratio has to be fixed. Ultimately Government has to commit that no doubt, we will have a reasonable number of 5-star hotels in a given tourist area, but at the same time, we will stress and see that medium and small hotels are established to cater to the needs of our Indian tourists,

because the country being vast, people have not seen all the places. Therefore, it is our basic responsibility to see that small and medium hotels are established on a priority basis. If we have got extra resources, I think, a substantial part of these resources must go to the establishment of these hotels.

As far as 5-star hotels are concerned, do you know what the management of these hotels do? They go to Goa. They purchase vast tracks of land in sea area. Even if they require a particular track of land, they purchase vast tracks of land so that they can subsequently sell it off. As a result of that, fishermen community residing and doing their business in that area for several decades, is affected. Even they put artificial fencing so that common man or fisherman cannot go to the beach where he has been going for centuries. There is a place called Kaddapadda in Goa. There one company came and perhaps, Government initially did not support it. That company asked the villagers, the tenants who were cultivating paddy for years together, to sell their lands to them. They offered substantial prices. Some of the villagers sold their lands to the hotel owners. Now a 5-star hotel in a tiny village having its own culture, is coming up. Some say that it is a 7-star hotel because it will have its airstrip. People will be taken by helicopter from the airport straightaway to the hotel. On the top of that, there are so many other facilities. By disturbing the culture of a small village in Goa, are we to have such type of hotels? Secondly, even in times when water not available to the people, these 5-star hotels are having running water for 24 hours and plenty of water in their swimming pools. Outside people see the foreigners swimming in the pools when they are thirsty for a glass of water.

If we see the quantity of subsidy that we are giving for the purpose of a 5-star hotel, ultimately the taxpayer is paying crores of rupees by way of subsidy to kill himself, to his detriment only. Is it advisable or not? What I am stating, substantially all parts may not be true. Are we having any policy with respect to these hotels? You have given a decision. Decision is different. Now, we have got

Industrial Policy and Health Policy. Similarly we have got a policy on the Five Star hotels *vis-a-vis* the small and medium hotels. If so, what has been the policy and what is the future course of trend in future five, ten years, not only with special reference to Goa but country as a whole. I would like to know, what are your objectives on this subject.

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION AND MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI JAGDISH TYTLER) : Sir, I beg to inform the House and to the hon. Member that tourism is a very important industry, not to our country only but I think to many many countries in the world which are depending on tourism. At least we are lucky, we are not depending on tourism alone but I would like our country to be open to many many people all over the world who would like to come to this country.

You cannot tell the people where to go. They have to decide about the visit to different parts of the country. Referring specially to Goa, people would like to come to Goa more. There is no set policy that this particular State will have so many Five Star hotels, that particular State would have Four Star hotels. Ever since I have come, I have been insisting that Government should not get into the business of Five Star hotels because it is a very exclusive industry. Many people who have good expertise, not even that, they must have a liaison with big hotel chains and whatever experiment we have done, I think with the kind of Budget which is available to us I would rather be interested that we go in for the middle class tourists from one State to another State so they you can supply them clean bed, clean bath room and the meals probably at a reasonable price. This is our aim and this is how we are planning.

We are leaving Four Star and Five Star hotel to the private people who have money and who have know-how, how to run it. We would like to concentrate as much as possible on middle class and the lower middle class tourism and on that basis if I were to give the break up of the expenditure we have done on the Yatri Niwas and other

places of tourism and facilities to be provided, I think the Government with whatever Budget has been given, it has done a good work on this.

We have given the publicity and by what we expect in 1990, 2.5 million tourists in our country. To accommodate 2.5 million tourists. I require 59000 rooms. If I were to locate the rooms available to me, there are only 31090. That means there is shortage of 27910 rooms in the country today, if I were to accommodate 2.5 million tourists in 1990; that means, in other two years time, the tourists which I expect to come to this country and the tourists who are wanting to visit our country. The shortage of hotel rooms not in Goa alone, in Goa I expect in another two years 1120, but in places like Delhi 4600, Bombay 5200, Madras 1600, Agra 480, Jaipur 350. This is only what we have projected in 1990, when we expect 2.5 million people to come to this country. But if I were to think ten years hence, I would say that tourists are going to go so fast, that we may have to look for rooms, accommodation, other facilities which go for tourism for something like 15 million people. A small country like Ceylon, subject to correction, has 11 million people. The country like Spain has 57 million people. The earnings are in billions of dollars. I do not know why a country, as big as ours which have so many beautiful things which can offer to the world culturally and otherwise could just cross one million people and I think any State should be happy and the people are showing preference to visit that particular place. I think Goan people are known for their festivals, known for their celebrations. We should be proud that the people want to go to your State and ultimately you help the Exchequer, you precious help the country with the foreign exchange. I think if you look at it commercially, tourism is going to be one of the biggest commercial ventures in this country and would probably help ultimately in getting the foreign exchange which we could use for the defence purpose purchase of everyday necessities which are in short supply in the country. It is not that tourism you are going to look from the point of view of 5-star hotels only and a few people are going to benefit. But ultimately how much

the nation benefits with the earning of foreign exchange which is so preciously required, that is important.

[Translation]

SHRI JAI PRAKASH AGARWAL (Chandni Chowk) : Give licences to private guest houses also. These are much harassed,

[English]

SHRI JAGDISH TYTLER : I am in favour of it.

I am telling you that as far I am as concerned, I need 25000 rooms in the country and I told you that Delhi has got 4650 rooms which means, may be another 20 to 30 hotels, right from one Star to 5-star hotels are required and we are going to request the State Governments in this regard. I am having a Conference on 27th where the Tourism Ministers of the States would be present and we are going to tell them that by all means open as many hotels as possible in their States. Of course, they are all subject to the State laws. I cannot ask them to go and open hotels. If they do not want to see that State laws are to be observed, that is for you to see to it and ultimately when the country is progressing you are selling your country in the foreign country asking them to come and visit your country and if somebody wants to sell the land for 5-star hotel and the State Government is prepared to accept it I think you should not object to it. When Multi Mohd. Syed said that the hotels should be raised, he did not mean exactly the 5-star hotels. He meant to say that people are so much interested and like to come to the country.

Sir, I would like to inform that I have just got the information that Godwick of the UK are planning to come and visit Goa. They are going to bring a charter. There is a big demand from all over the world and people want to bring charters. I do not have much room in Goa. Even today some charters have come to Goa. Some 100 people got down and others left because they have no rooms and the rest go to Nepal. It is because there are no rooms available in Delhi or in Bombay or in Calcutta or they do not want to go to any other place. So,

I should say that if you want to earn foreign exchange, if the people want to come and see your country, ultimately, your aim is to promote tourism. Tourism is one of the biggest industries in the world and today everybody is encouraging it. Why should we see to small things. I will be too happy to meet those people who object these foreigners coming to the country. Actually, I do not see what their objective was. There must be some reason, some local leadership or people who are not able to explain to them why they are coming. If they want to go to Goa, I cannot tell them go and see Delhi, go and see Varanasi and go and see Agra. They say : we don't want to go to those cities. We want to relax here, you have got beautiful beaches, you have got beautiful spots. I think the State Government should take care of these things to see that they could expand as much as possible in the remote areas so that you don't concentrate if you are afraid of that concentration.

Now, you said about the classification of the 5-star hotels. Now I have a big list to show how the 5-star hotels are made, three-star hotels are made and two-star hotels are made. This depends actually on the number of rooms, the kind of square feet of the rooms—usually the room should have the minimum number, so many feet, so much money should be spent, and I think this is monitored through our Ministry and we do allow these five-star, four star and three star, and I think this is a general practice internationally when people want to pay money for a particular class, so they know that these are the minimum requirements by them which will be available in those rooms. and if they want to pay for 5-star, who are you to tell them that 'we will not let you stay in five-star, you must stay in four-star or three-star ?' If they are staying in five-star, they bring you more foreign exchange, they are paying more money. That is why recently I allowed the hotels to charge, the five-star people to charge because in some of those hotels more than 75 per cent earning is through the foreign exchange.

SHRI SHANTARAM NAIK (Panaji) : It is not increasing, I heard. In the last six years our tourists have increased by 25 per

cent, but foreign exchange has increased by 2.5 per cent only.

SHRI JAGDISH TYTLER : It is because of the fluctuation of the Dollar and so many other things. That is how I have allowed the five-star people to charge whatever tariff they can sell their hotel for. So, if a hotel wants to sell for more and says, 'I want to charge you 500 dollars a room' and if he cannot sell his room for that amount he is going to be in a loss by his room being empty. So, he is able to sell for a certain amount. Once he is able to sell—if I go to London and I pay 200 Pounds for a room, why should I come to India and say, 'I would like to pay you 20 Pounds' because I want to have the same kind of a hotel. Why should he not come and pay 200 Pounds here too? So, more foreign exchange—probably that answers your question, you know.

We do give subsidies to the hotels and that is to encourage people to open more hotels and I think you, as a person who represents Goa, I will be too happy to meet some of your leaders, those who are objecting to the foreigners coming into Goa, probably they have not been able to understand the whole picture about it or may be they have their own reasons and I may be able to convince them, and I think tourism is there, come to stay, and I think in future this country's major foreign exchange earnings will be through tourism.

SHRI SOMNATH RATH (Aska) : Sir, the hotel industry is linked to the tourism industry and is ancillary to tourism industry. The entrepreneurs get loans as well as subsidies from the Industrial Development Bank of India. In Orissa the hotels have been also declared an industry. So, in Orissa these entrepreneurs also get financial assistance from the O.S.F.C., i.e., Orissa State Financial Corporation, as well as from I.D.B.I. we have got the hotels at Bhubaneswar, Rourkela, Puri and one five-star hotel coming up at Konark, and they get the land from the State Government leased out at a very low rate, practically a very nominal rate, I think at 1/20th of the market price and also a huge

acreage of land. They even get subsidy. All these facilities are given to the entrepreneurs for the simple reason that these hotels will be utilised for tourist industry. But I want to know from the hon. Minister one thing. Though tourism linked hotels in Orissa are getting a huge amount of subsidy and assistance from the bank, after the hotels have been constructed, they are leased out to different banks or institutions. Some of these people have converted their black money into white under benami transactions, by constructing such hotels in the State of Orissa because hotel is also in the category of industry. The purpose for which subsidy was given for hotels was defeated and the rules were flouted by these people. They get assistance from the IDBI also, I would therefore like to know from the hon. Minister whether he will inquire into the matter or get it inquired into by CBI or some other agency to know how many such hotels in Orissa have taken the assistance from the IDBI and other financial corporations and also nationalised banks and how many of these hotels have leased out or rented these hotels to nationalised banks and other institutions and not running the hotels. If so, whether steps will be taken to realise the subsidy amount with penalty from those entrepreneurs, besides starting the case of cheating under IPC. They have practically cheated both the Central Government and Orissa Government for their personal benefit. Would the Government also take such other methods both civil and criminal courts to put an end to such malpractices which are being indulged in the name of industry.

MR. DEPUTY SPEAKER : Shri Harish Rawat—not present. Shri T. Basheer.

SHRI T. BASHEER (Chirayinkil) : I am not putting the question because the hon. Minister has covered the points.

MR. DEPUTY SPEAKER : Shri Chinamani Jena.

SHRI CHINTAMANI JENA (Balasore) : I am grateful to the hon. Minister that he has very elaborately answered the necessity of 5-star hotels which are a very good

foreign exchange earner, and also the reason for having such 5-star hotels in our country.

In his answer to the question put by my hon. friend, Shri Shantaram Naik, he has told that some of the States have declared hotel and tourism as industry and the concessions are being given to them. May I know from the hon. Minister which are the States which have declared hotel business as industry and after such declaration, how many such five-star hotels have come up and what is the percentage of foreign tourists who are accommodated after this declaration?

My hon. friend, Shri Shantaram Naik has categorically put one question but the hon. Minister has not told anything about the ratio of 5-star hotels, with 2-star and 3-star hotels. May I know from the hon. Minister—besides our country, there are 5-star hotels in Western countries which have more tourist spots and tourist attractions—what is the ratio of 5-star hotels in these countries? We are considering domestic tourism as another factor to boost national integration and contribute to the general economy of the country. Is the Government considering to provide any concessions to the domestic tourists? If any domestic tourists occupies 5-star hotel, will he be given any concession? The hon. Minister has referred that people like us who are middle class and low-middle class would be accommodated in Ashok Yatri Niwas and such type of hotels.

18.00 hrs.

The hon. Minister will be sorry to know what is happening in Hotels like Ashok Yatri Nivas which is a 16-storey building. There is no liftman to operate the lift. If somebody will go to the upper storey, he cannot come down. The persons occupying the upper storeys cannot come down nor can they go up. This is the system. Of course, I agree with him that when we do not pay more, we should not expect more amenities and more facilities. That is true. But the minimum requirements should be provided like helping the occupants of these 2-star, 3-star or such middle-class hotels, so that the middle-class people who

are occupying those hotels should not be put to difficulty.

May I know from the hon. Minister whether he is aware that even in spite of so many concessions and provision of so many subsidies as per the MRTP Act etc., the entrepreneurs and private hoteliers are not giving amenities to the occupants of those 5-star hotels even though they are paying more, but the amenities are less because of which the occupation in 5-star hotels is much less in our country. What is the Government's reaction to this so that this type of things should not come up? I fully agree with him that we are now attracting more tourists and we should attract more tourists to earn more foreign exchange.

Similarly, the concessions and subsidies given to the hoteliers should not be misused nor should they help the middlemen. The middlemen should not be allowed to take advantage of the simplicity and good wishes provided by the Government.

With these words I conclude.

MR. DEPUTY SPEAKER: Now the hon. Minister would reply.

SHRI JAGDISH TYTLER: First of all, I would like to thank hon. Member Mr. Somnath Rath who has spoken on this subject. The most that the Central Government can do to these hotels which are misusing the premises is to withdraw the rating. I was given some information on this. I could take it up with the appropriate authority. We are not interested to see that anybody who has got concessions from the Government either land or other equipment, to misuse the position because, on the one hand, I am finding shortage of rooms and on the other, this is being misused. I hope we are not making a mistake because some hotels have branches of the banks in them. If that is a part of accommodation which has been sanctioned, in that case, we would take it up.

I would like to inform the Members that all hotels all over the country get interest subsidy of 1% on the first Rs. 75 lakhs of loan and the Government of Orissa thus provided land at a concessional rate.

I would like to inform you that we are very soon going to expand Bhubaneswar airport so that you could have a bigger aircraft landing and people can come to Orissa direct on chartered flights.

Shri Chintamani Jena asked the present ratio of 5-star hotels. The present ratio of 5-star hotels in India is 30% of the total classified hotel accommodation available in the country.

We cannot coerce any 5-star hotel to give concessions to the local tourists. This is the tariff which is approved and whoever wants to go to 5-star hotel, I am sure, he can afford to pay 5-star rates. That is one of the reasons why our Ministry is concentrating more on Yatri Niwas smaller hotels, where, atleast, my aim is that we could give cleaner room, a clean bed-sheet and a clean bathroom and also a reasonably priced meal. . . (Interruptions) The point is that all foreigners do not stay in Five Star Hotels. There are poor people as it exists in our country. There are rich people also.

MR. DEPUTY SPEAKER : What about the maintenance of the Centaur Hotel in Bombay, which is a Five Star Hotel ? This is an Air India Hotel.

(Interruptions)

SHRI JAGDISH TYTLER : Sir, do you mean the new-one or the old-one ? (Interruptions) Please stay in the new-one and you will not have any complaints. About the old-one, I would like to say that we are trying to renovate and we are trying to refurbish it.

MR. DEPUTY SPEAKER : In the Airport, there is one Hotel. Is it a new-one or an old-one ?

(Interruptions)

SHRI JAGDISH TYTLER : Shri Chintamani Jena wanted to know as to which are the States which have declared Tourism as an industry. I would like to state that Himachal Pradesh, U.P., Haryana, Meghalaya, Arunachal Pradesh, Kerala, Andhra, Tamil Nadu, Bihar, Tripura, Manipur, Goa and the Union Territory of Andaman and Nicobar have declared tourism as an industry while the States of Orissa, Rajasthan and West Bengal have declared Hotel as an Industry. But, we have got a letter, just this morning only, from the Chief Minister of Orissa that he is also thinking of considering Hotel as an Industry. I think this answers almost all the questions.

18.06 hrs.

BUSINESS ADVISORY COMMITTEE

Forty-third Report

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): Sir, I beg to present the Forty-third Report of Business Advisory Committee.

MR. DEPUTY SPEAKER : The House stands adjourned to meet again at Eleven of the Clock on Tuesday, November 17, 1987,

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, November 17, 1987|Kartika 26, 1909 (Saka).