

SHRI KADAMBUR JANARTHANAN (Tirunelveli) : Sir, I request that the following may be included in the next week's agenda :

Tuticorin Port, located at the southern end of our country is gaining importance and soon it is likely to be declared as an International Port. It is, however, not known as to why the dredging of the berths is being delayed.

The dredging must be done to a minimum of 32 ft. in depth instead of 27½ ft. so that heavy vessels of 40,000 tonnage could be berthed at the port. Due to less depth of the Tuticorin Port, trade and commerce is being affected. For instance, the Thermal Power Plant, the SPIC and the TAC industries and Salt Pans cannot make use of this port. It is, therefore, very necessary that dredging must be done to a minimum of 32 ft. and this must be done at the earliest. More so, this will help avoid the present congestion in the Madras Port.

THE MINISTER OF PARLIAMEN- TARY AFFAIRS AND MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI H.K.L. BHAGAT) : Sir, I have listened to the observations of the hon. Members and I shall surely bring them to the notice of the Business Advisory Committee.

12.30 hrs.

ELECTION TO COMMITTEE

Central Advisory Committee for the National Cadet Corps.

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : I beg to move :

"That in pursuance of section 12(1) of the National Cadet Corps Act, 1948, the members of this House do proceed to elect, in such manner as the Speaker may direct, one member from amongst themselves to serve as a member of the Central Advisory Committee for the National Cadet Corps for a term

of one year from the date of election, subject to the other provisions of the said Act and the Rules made thereunder."

MR. DEPUTY-SPEAKER : The question is :

"That in pursuance of section 12(1) of the National Cadet Corps Act, 1948, the members of this House do proceed to elect, in such manner as the Speaker may direct, one member from amongst themselves to serve as a member of the Central Advisory Committee for the National Cadet Corps for a term of one year from the date of election, subject to the other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

NATIONAL HOUSING BANK BILL— Contd.

[English]

MR. DEPUTY-SPEAKER : Now we take up further discussion on this Bill.

[Translation]

SHRI RAMSWAROOP RAM (Gaya) : Mr. Deputy-Speaker, Sir, while supporting the National Housing Bank Bill which is before the House, I would like to make some submissions to the hon. Minister.

Mr. Deputy-Speaker, Sir, the basic necessities in our country are considered to be food, clothing and shelter. When seen in this perspective our Government is making full efforts to provide food, clothing and shelter to all the people of our country.

I am very thankful to the hon. Minister that he has felt the need of housing facilities and has brought a comprehensive Bill in this august House. The people want houses to live in and for this purpose, the hon. Minister and the Government have good intentions.

But unless the hon. Minister changes his method of working, I think, even his good intentions would not be fulfilled. Because under the present bureaucratic system

many of our projects are not being successfully implemented.

The Planning Commission had made a survey in the country in 1984 to assess the shortage of houses in the country. According to their survey, there was a shortage of 28 million houses in the country in the year 1984. But now it is 1987 and I think that more than 30 million residential units would be required now.

Whenever the question of housing comes before us, then our point of view becomes a bit narrow and we keep in our mind the problem of cities only and try to find out as to what is the shortage of houses in Delhi and the metropolitan city of Calcutta whereas 80 per cent of our population lives in villages. We should also see as to what is the shortage of dwelling units in the country-side. We should make more and more efforts to construct houses in villages also.

There are many co-operative societies to whom plots have also been allotted. But all these things are limited to the cities only. I would like to urge the hon. Minister that through the National Housing Bill, which he has brought forward, the problem of housing should be solved not only in cities, but also in villages. I think that unless the housing problem in villages is solved, we will not be able to achieve our objective even after passing this Bill. This year we are celebrating 40th anniversary of our independence, but even now 21 per cent people in the cities and 50 per cent people in the country-side live in the slums. Though the slum clearance schemes are being implemented by the Government, but unfortunately these schemes have remained restricted to the metropolitan cities only. There is a need to improve villages by taking advantage of these schemes. In the absence of such schemes in villages, the pressure of population has been increasing on cities. The people are migrating to cities from villages. Whether it is a municipal town, a district town or a capital town, people and the poor labourers are migrating to them in groups. Its reason is that people do not have any job opportunities there and there is a problem of accommodation. If you happen to visit any railway platform, bus stand or a foot-path in a city, you

would find thousands of persons sleeping there by which you can just imagine the gravity of this problem without going through the statistics.

Mr. Deputy-Speaker, Sir, the Government has taken a very progressive step by bringing forward this Bill, though the capital of Rs. 500 crores is quite inadequate. I would like to submit that through this Bill attention should be paid not only towards the urban areas, but towards rural areas also. Attention should be paid towards slums and especially towards the areas inhabited by Harijans, Adivasis and poor labourers. Through this House, I would like to request the hon. Minister that such poor persons should be sanctioned interest free loans. A physical verification should be conducted to find out such persons who do not have any property or residential accommodation and they should be sanctioned interest free loans. The hon. Minister has done an inspiring work by bringing forward this Bill. With these words, I support this progressive Bill.

[English]

MR. DEPUTY-SPEAKER : Already we have exhausted the time and also exceeded the allotted time.

SHRI RAM PYARE PANIKA (Roberts-ganj) : Sir, I have to speak.

MR. DEPUTY-SPEAKER : I will call all of you. But you have to cooperate with me by taking only five minutes. Shri Ram Narain Singh to speak. I am giving him only five minutes.

[Translation]

SHRI RAM NARAIN SINGH (Bhiwani) : Mr. Deputy-Speaker, Sir, there is no doubt that this Bill is very essential. One of the basic necessities of like is shelter. The institutions like LIC, GIC, HUDCO and other organisations which provide loan for houses, are functioning only in cities. Loans are provided in cities and houses are also constructed there. Eighty per cent population of our country lives in villages. Majority of rural population belong to poor and weaker sections. No special arrangement has been made to provide house building advances to them. At present only

[Shri Ram Narain Singh]

a sum of Rs. 6000/- or Rs. 7000/- is given as loan which is absolutely inadequate. A house cannot be constructed with such a meagre amount. I would like to request that there should be two housing banks, one for rural areas and the other for urban areas. The funds meant for rural areas should not be spent in urban areas and there should be a separate bank for urban areas. If the hon. Minister does not agree to it, he should at least increase its capital to Rs. 500 crores. The capital of Rs. 100 crores is not adequate and there should be a separate provision for rural people. Eighty per cent of people live in villages, therefore, their share in the capital should be 50 to 60 per cent of the total capital so that they could get some amount, otherwise the entire funds would be spent in cities only and the influential people would get loans sanctioned to their brothers, nephews and relatives and the poor would not be able to get any loan. It is therefore necessary that a separate provision should be made for rural areas. Top heavy administration has been provided. There is provision of 13 Directors, one Chairman and one Managing Director. There could be one post of Chairman-cum-Managing Director and the number of directors could also be reduced. Therefore, top heavy administration should be reduced so that expenditure on it could be reduced a little bit. The amount of Rs. 6000/- or 7000/- which is given to Harijans or the people belonging to weaker sections by Banks or the societies should be increased to at least Rs. 25,000/- to enable people to build at least two rooms with that much amount. The persons living in villages, who want to build their own houses, should be sanctioned loans so that they could be able to build their own houses. The houses which are built by the PWD or other Departments last only for ten years. When a person builds his own house, its life would not be less than 50 years. Therefore, the poor should be given loan to build a house having two rooms. There is no dearth of land in all the villages of Punjab and Haryana. There has been consolidation of land-holdings and land reforms have also been implemented. Thereafter every landless person in every village in Punjab and Haryana has been allotted a plot of 150

square yards. There is no dearth of land, only money should be sanctioned to them to enable them to build their own houses. But the difficulty is that there is corruption on a large scale in the branches of Banks in rural areas. The hon. Members have already spoken about it. At some places there is so much of corruption that people grab 25 per cent of the amount while sanctioning loans. Some action should be taken in this regard. Higher officers should enquire into it and check it. If this corruption continues, the people would be deprived of this loan facility as the money would be pocketed by middlemen. If corruption is not done away with, there would not be any benefit to the people from banks in rural areas.

[English]

SHRI SRIBALLAV PANIGRAHI (Deogarh): Sir, I rise to support the much-awaited National Housing Bank Bill. This Bill is a fulfilment of the promise made by the Prime Minister in his budget speech. The criticism being levelled by the Opposition that housing is not getting due priority is not correct. Of late, a lot of emphasis has been laid on the housing sector. In spite of all that has been done in this field, admittedly it is not sufficient. As you know in the current year's budget, much emphasis has been laid on housing. Provision for housing has been enhanced considerably. The establishment of National Housing Bank at the apex level, which is conceived of, as I said in the beginning, is a fulfilment of that promise.

Being conscious of the time at my disposal, I am not going into the details of statistics. But this problem is an alarming one. What have we achieved? We have definitely achieved something. The problem of housing is really becoming more and more acute. In 1981, according to the report of a high-level group chaired by Dr. C. Rangarajan, Deputy Governor of the Reserve Bank of India, the housing shortage was of about 21 million units. That has risen now to 24 million units and at the end of this decade, that is, of 1990, it is likely to touch the figure of 41 million units. It is increasing at an alarming rate. It is a challenging task. How to meet this?

As you know, to own a house is a basic necessity. Of course, we have achieved a lot by now. During the last 40 years of our freedom, our progress in various fields like agriculture, industry, is quite commendable. In spite of this, in the language of the Father of the Nation, Gandhiji, we can't claim to have achieved Independence. What did he say while replying to a question after achievement of Swaraj? His initial reaction was: So long as the five basic minimum necessities of life, that is, food, clothing, shelter, education for children and health-care, are not met, we can't claim to have achieved Independence.

If we look at these things, in spite of our having made a commendable progress in our country, we can't claim to have really achieved freedom. We have to be conscious in that respect. Sir, it is good that with Rs. 100 crores, a new institution is coming up with the provision of establishment of regional housing financial institutions but this is not enough. The allocation should be enhanced. At the same time, in a democratic set-up like India, in a populous country, the Government alone cannot do this work. So, concerted efforts by all concerns the Government, public sector, private sector, co-operative sector, household sector are very much needed. Pinpointedly, I am making certain suggestions.

We cannot construct houses for everybody. At least, house sites should be provided to all those who do not have house sites till today, be it in the villages, in the rural areas or in the urban areas. You know how severe the problem is in urban areas. We have to go for implementation of Urban Land Ceiling Act vigorously and accordingly when we have ceiling on income of farmers, why cannot we have similar ceiling on the income of people belonging to different professions and categories?

Secondly, these sites should be developed properly and social forestry should be encouraged and people have to be told clearly that they will be given sites and house building materials such as timber, bamboo and all that will be provided from social forestry that they grow in their own area. Similarly, arrangements should be made for loans on

easy instalments and also with a lower rate of interest; otherwise people cannot repay the loan. Coming to the other side, there is a need to amend the laws—Urban Property Ceiling and Rent Control Order and also CPC—the Civil Procedure Code. We have not achieved low-cost technology and we should develop some low-cost technology. Who are benefited by the housing provisions that we are having now? Mostly affluent people, educated people are taking advantage of the existing loan system. Taking Government loan, they are constructing houses and they are occupying Government quarters also. How we can solve these problems? People who are getting Government loans at a reasonable rate of interest at 6 to 8 per cent, should not be allotted Government quarters. We have to lay more emphasis to increase the allocations involving the common people in this task. With these words, I support this Bill which will be a turning point in our housing sector.

SHRI SHANTARAM NAIK (Panaji) :
I would say that this National Housing Bank Bill is one of the best and leading Bills which have come uptill now in the session. Although we have discussed a lot about housing, basically I feel that the subject will not be the main concern of the Finance Ministry but the concern of the Urban Development Ministry. Some sort of financial policies are laid down. There was a point raised by the Opposition Party that since we are not having a comprehensive housing policy, what would be the fate of this Bill. I would submit that if there is a policy on housing, well that is good, but if actually on a given subject, a legislation is enacted that itself is the next stage, it is something which is concrete. In a case where we have a policy and not a legislation, it is not good, but if we have a legislation and not a policy, it does not matter for a moment. That is my submission.

Since this Bill is quite comprehensive, want of a policy on housing will not affect its implementation.

I am not going to deal with general statistics about the housing problem, I would only be dealing with some of the provisions of this Bill which are of direct concern.

There is a complaint normally by the

[Shri Shantaram Naik]

financial institutions that the Reserve Bank gives directions and they go on giving from time to time, sometimes they overlap; and although the directions of the Reserve Bank are a law in financial matters, the common man is not able to know of them and he has no access to them. If a person wants to know the law about housing, he may get the Act, or the rules made thereunder. But what are the guidelines issued by the Reserve Bank or for that matter what are the regulations prepared by the Board with respect to various matters mentioned here, an average person would not be able to get them.

I would, therefore say that whatever directions are issued by the Reserve Bank under this Act should be compiled so that the people or the housing institutions are able to lay their hands on them.

Then, something with respect to the schemes under Clause 14 of the Bill. Under Clause 14 various schemes will be framed, but if one wants to know what are schemes on a given matter, he would not be able to know that. The same is the case with respect to schemes prepared by the banks today. I have seen that at many places schemes are not available in the regional languages or the language which people understand. Either they would be in English or in Hindi. Therefore, as far as housing is concerned, the schemes should be made known to the people in their own languages.

Then, there is a provision under Clause 14 (g) for research. Since our resources are limited, not much stress should be laid on research. We know what sort of housing should be there for common people. If we invest money on research, it would be a wastage. If you have got more money, then it is all right, but as on today, we have got sufficient knowledge in this matter and no money should be invested on research.

You have made some provisions for complaints. A complaint can be filed under whatever legislation is being introduced in this House. The tendency of the Government is to allow any private person to file a complaint, specially if the legislation is a beneficial legislation. I would be happy if

there is a provision which entitles any common man to approach a court of law for his grievances directly without Government assistance.

Clause 16 is with respect to loans in foreign currency. There is no question of giving any loan in foreign exchange; there is no need of it. Our objective is social. We have to give loan in Indian currency. There is no question of any scheme or any provision for giving loans in foreign exchange. I would suggest that that part of the clause which provides for giving loan in foreign exchange should be deleted. I hope you will concede that.

Then, quality control is the most important thing in housing. If in a given year we spend Rs. 100 crores on housing without maintaining quality control, that will be washed away in a few years, as if we had not given any loan. Therefore, Sir, I do not know how far these Apex National Housing Banks will come into picture. So far as the quality control is concerned, it is the responsibility of the Ministry of Urban Development. But since you are giving the finance, I would say that you should also ensure that the quality of houses is maintained.

Lastly, Sir, all the banks which are under this Apex Bank and which frame regulations, they should be asked to frame regulations on all the subjects and also see to it that these are well circulated to the public.

13.00 hours

*The Lok Sabha adjourned for Lunch
till Fourteen of the Clock.*

*The Lok Sabha re-assembled after Lunch
at eight minutes past Fourteen of
the Clock.*

[MR. DEPUTY-SPEAKER *in the Chair*]

NATIONAL HOUSING BANK
BILL—Contd.

[*English*]

MR. DEPUTY-SPEAKER : Prof. Soz, I have already informed the hon. Members to be very brief because we have already

taken more time. Mr. Soz whichever point you want to make here, you be very brief.

PROF. SAIFUDDIN SOZ (Baramulla) : Mr. Deputy-Speaker, Sir, it is a good measure that you have brought this National Housing Bank Bill. It says that it is going "to establish a bank to be known as the National Housing Bank to operate as a principal agency to promote housing finance institutions both local and regional levels and to provide financial and other support to such institutions and for matters connected therewith or incidental thereto".

It is a good measure because it talks of housing. But Sir, I fail to understand as to what was the urgency for the Government to present a Bill like this to the Parliament because it falls terribly short of the expectations of the people. It will not solve the problem, because it will add a dimension to the scarcity of housing facilities in this country. I will say how : I will not try to repeat what most of the Members have said here, although, as far as this measure is concerned, we are thinking on the same wavelength.

I spoke of urgency. What is the kind of relief that this Bill is organizing ; and for what section of the people ? This Bill is meant for the upper middle class section of India. It does not touch the lower middle class at all, it does not get within its purview the rural society, and it does not solve the problem of slums. There was no urgency, because the upper middle class or the middle class is enjoying some facilities. In India, you have a population below the poverty line. We have slums, we have the rural society which has not seen the benefits of development. You are not touching that society, and you are bringing in a measure where you are talking of housing facilities for the urban society.

The basic question is this : there is no National Housing Policy. I would have congratulated the Minister of Finance if he had come forward with a Bill which could depict Government's ideas on National Housing Policy. This is not the Bill that says anything about that policy. In the absence of a National Housing Policy, a measure like this may resolve some problems for the middle class, for the upper middle class and for the financial institutions which

will be charging a high rate of interest. Who will pay it ? Who is prepared to pay this high rate of interest ? Only the people who will establish housing colonies. These will be the institutions for making profit. This Bill, as a whole, is a Bill with commercial concern. You are talking of financing the already-existing housing institutions. Clause 14 of the Bill which explains its aims and objects, has only one provision somewhere. In Clause 14 you indicate the objectives, i.e. what the Bill is going to do. Herein there is an item which says that it will be—

"formulating one or more schemes, for the economically weaker sections of society which may be subsidised by the Central Government or any State Government or any other source ;"

But there is no thrust towards these weaker sections, and you use the term 'may' which means may or may not. So, clause 14 gives the gamut of the objectives of the Bill. This is something heart-rending. You have incorporated the objectives, and one of them is seeking to give relief to the economically weaker sections, and there you use the term that it 'may' be subsidised, which means that it may, or may not be. So, it is a Bill promoting housing activities here in this country, and avowedly benefiting that section of the society which is already far above the poverty line at least. This Bill does not touch the society, the mass of humanity in India which is below the poverty line, which is in slums and which is in rural India.

In the absence of a National Housing Policy, and when housing has not been accepted in India as a basic right, are you going to do anything about it ? Housing should be a matter of right for everybody. We had said, and we had committed ourselves to socialism. We are a socialist democracy, and we say we stand for secularism, we stand for democracy and we stand for socialism. But this Bill does not stand for socialism at all. Even after 40 years of independence, we are not accepting housing as a right.

When I was educated through correspondence by a private, voluntary organization called National Campaign for Housing Rights, I became conscious perhaps for the

[Prof. Saifuddin Soz]

first time that in this country housing has not been accepted as a basic right. When you have no well-knit national policy on housing, when you have not accepted housing as a basic right, presenting this measure before the Parliament is meaningless, because Parliament, irrespective of party affiliation—it may be Treasury Benches it may be Opposition—we are all united one thing and that is housing should be accepted as a basic right in this country.

We are concerned for the rural society ; we feel concerned for slum dwellers ; we feel concerned for the people who spend their nights in the open on *patris* in Bombay, Calcutta, Madras and Delhi. Slums are growing there.

One more flaw is there in this Bill and that is that it does not even commit itself to organising cooperative housing societies, because if you promote cooperative societies, there is some hope that those societies will touch rural India, poor sections of the population. You even don't say that. I would like to tell Mr. Poojary that the Ministers only hear the debates ; they never respond to them. That is my complaint. You should, in some measure, say that you will consider it, you will answer our points and you should also invite senior colleagues and in your answer you should reflect your thinking on the suggestions that we are making to you. At least this Bill will be for that. You talk of organising cooperative housing societies and you say that you shall cover rural India, you shall cover slums dwellers, you use the word 'shall', you shall do something substantially for the weaker sections of the population. This kind of a Bill should have come forward for rehabilitation of people.

I give you an example of the Jammu and Kashmir State. We have Dal Lake, that attracts international tourists. Now the poor fishermen because of lack of housing facilities, have encroached upon the Dal Lake and that has spoiled the atmosphere. They have created a problem of pollution and the tourist trade is dwindling. We have the land but we have no money. You could give a helping hand to the Government of Jammu and Kashmir State and have a housing colony for those fishermen, so that they

vacate the area they have occupied and pollution problem will be solved and tourism will also receive a fillip.

You are not thinking of removing slums. Dr. Datta Samant who will speak after me will talk about the slums in Bombay. I have some authentic information. The figure is that 38 per cent people in Bombay live in slums ; that figure is not correct. My information is that 52 per cent of Bombay population, apart from suburbs, live in slums ; that seems to be the latest figure. What do you do ? It is a petty development that you make one room tenements for them and got them on to those houses ; then they run back to their old houses. You will have to respond to the situation in one go and remove slums entirely in Bombay. You have the land where *Jhuggis* are there ; you can utilise that land and eradicate slums in Bombay in one go. If you do an half-hearted effort, slums will continue to grow ; slums will never be eradicated. So, there has to be a revolutionary approach for eradication of slums. You have to come forward with a resolve that you will have no slums in Bombay, in Delhi and in Calcutta. I am warning you that in Delhi around R.K. Puram slums are growing. 10-15 years ago we had no slums in Delhi, but now they are also coming up. So, there should be a Bill which will seek our support and cooperation for eradication of slums.

In the Constitution of India, we have fundamental rights. I say this is also a fundamental right that we should commit to have housing as a matter of right. But how do you answer it ? The Government should answer and it should commit itself to honouring the Directive Principles enshrined in the Constitution where you say you will have an egalitarian society, you will have a socialistic pattern of society and you will have a society which will offer everybody food, clothing and shelter. What is the Government of India doing for shelter ?

MR. DEPUTY-SPEAKER : Shri Gir-dhari Lal Vyas.

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara) : I rise to support the Housing Bank Bill and convey my thanks to the Govern-

ment as it has done a good job by bringing forward such a Bill. The Government is already making efforts to provide food, clothing and shelter to the people of the country...*(Interruptions)*

As regards provision of food, clothing and shelter, I would like to submit that the Government has produced so much food-grains by bringing about green revolution that every man in the country is able to get food. Similarly, provision has been made to produce so much cloth in the country that it has become possible to provide cloth to every one in the country. I convey my thanks to the Prime Minister Shri Rajiv Gandhi for these steps taken by the Government.

As a number of hon. Members have said, we are far behind in the matter of providing housing accommodation to the people. At present, we require 21 million dwelling units. At the end of the Seventh Five Year Plan, we will be requiring 30 million dwelling units. The step taken by the hon. Finance Minister in regard to meeting the shortage of houses is very small. We are going ahead in making houses available to the people of the country. This is one of the steps taken by the hon. Finance Minister in this regard.

I would like to submit that if we calculate the cost to be incurred on the 21 million units which we require, we will find that the proposed capital of the Bank is very less. If we spend Rs. for 10 thousand on a unit, we will require 2,00,000 crores of rupees and if we spend less than this amount, we will require 1,50,000 crores of rupees. Only then we will be able to provide houses to all.

Sir, the Government has made a provision of Rs. 100 crore for this National Housing Bank which would be increased to Rs. 500 crores. I hope that the Government would act in the same way as it had acted in the case of setting up other banks including the Foreign Bank, the Financing Bank for Agriculture and the IDBI for reviving sick units. Similarly, we can quote a number of other instances also. We had provided less money at the time of setting up such banks but increased the same from time to time taking into consideration the

requirement thereof. We have now made more and more provision for such institutions so that they may be able to fulfil their aims and objects. So, I hope that we will not face any difficulty in the case of this Housing Bank also. At present, the Government has set up this Bank with a small sum but I hope that more amount and more facilities will be provided to this Bank taking into consideration the problems which it would have to confront later on and the expansion of the Bank likely to be undertaken in future so that the shortage of the houses in the country can be met.

Mr. Deputy-Speaker, Sir, it has been provided in section 14—

[English]

“It will need to maintain close liaison with the Life Insurance Corporation of India, Unit Trust of India, General Insurance Corporation of India and other financial institutions.”

[Translation]

I hope that when you are associating all the institutions with the Housing Bank, they will give their full help in fulfilling the aim of providing houses to the people. So it does not make any difference whether the capital is Rs. 100 crore or Rs. 500 crore. The hon. Members, who have criticised on this point, should understand that there would be no paucity of funds for this purpose. The hon. Minister will utilize the amount properly. The Life Insurance Corporation has sufficient money with it and it can be utilised for housing purpose. Similarly, help can be taken from those financial institutions which have been mentioned in section 14. What has been said in section 14 in regard to the weaker sections is very praise-worthy. The more we praise, the less it is because it is very essential to provide houses to the weaker sections. The Government has paid attention to this problem and it has made provision in this Bill. But besides these provisions there is need to make one more provision for achieving coordination with other departments. The Department of Agriculture can provide surplus land through land reforms and similarly the Department of Urban

[Shri Girdhari Lal Vyas]

Development has land found surplus under the Land Ceiling Act. By bringing about coordination with these two departments, we can make the housing policy a success. Unless plots are available, how can houses be constructed. In this way plots can be made available to lakhs of people and this scheme can be made a success. The Congress, to-day is heading towards socialism rapidly, this will be a big step in this direction. So there is a great need of this measure.

Some hon. Members have said that there is no provision for cooperatives in this Bill. But I would like to say that a provision for cooperatives is there in the Bill and there is no doubt that priority will be given to cooperatives under this Act. The cooperatives of employees, labourers, agriculturists, non-agricultural labourers, etc. should be formed and priority given to them so that all the 37 to 38 per cent people living below the poverty line may be able to get benefit of housing facility.

Although I have to submit a number of points but you are preventing me by ringing the bell. With these words I support the Bill.

SHRI VIRDHI CHANDER JAIN (Barmer): Mr. Deputy-Speaker, Sir, I rise to support the National Housing Bank Bill 1987 which has been presented in this House. While presenting the Budget on 28th February, 1987 the Prime Minister specifically mentioned that a National Housing Bank Bill would be presented and today we are having a discussion on it. We all welcome this measure.

The problem of housing is a very acute one and efforts are being made to solve it. The Life Insurance Corporation provides loan to its policy holders for this purpose. This Unit Trust also provides loan. In my constituency houses have been constructed for Scheduled Castes and Scheduled Tribes with the loan provided by the HUDCO. I have seen those houses. The HUDCO has made a provision of Rs. 60,500 for a house. There is a provision of two rooms in a house. One room is 9 ft by 16 ft and the other 9 ft by 6 ft which is very small.

What I mean to say is that those rooms have not sufficient space to live in. With a provision of Rs. 10 thousand, a suitable house comprising two rooms of 9 ft by 16 ft each can be built in my constituency so the HUDCO should give a loan of Rs. 10 thousand to the persons belonging to the Scheduled Castes and Scheduled Tribes to build a house. This is a genuine demand. The Government had made a provision of 34 per cent of the plan allocation for rural housing in the First Five Year Plan and Rs. 10 crore in the second plan. But I am sorry to say that only an amount of Rs. 3.7 crore was utilised. In the Third Five Year Plan a sum of Rs. 12.70 crore was allocated and only Rs. 4.20 crore were utilised. In the Fifth Five Year Plan a sum of Rs. 108 crore was allocated but only Rs. 55 crore were utilised. As against our allocation of Rs. 353 crore in the Sixth Five Year Plan only Rs. 118 crore were utilised. In the Seventh Five Year Plan a sum of Rs. 571 crore was allocated. I have yet to receive the figures of the amount which has been utilised. I would like to say that more allocation is being made but it is not being utilised and the houses are not being made available to the people. This will have to be seen which State Governments are not utilising that amount and what are its reasons. What are the difficulties in getting loan from the HUDCO? What are the conditions which cannot be fulfilled? The procedure for getting loan should be made simple so that more and more applicants come forward to take loans and construct houses. In my constituency the people belonging to the Scheduled Castes and Scheduled Tribes get loan for constructing houses but the identified families in the weaker sections have not received any loan till date. Taking into consideration the population of Barmer, only per cent people have got loan. The HUDCO should function more smoothly and the branches of the Apex Bank should also function in a proper way because it is a very difficult task. We will have to formulate a plan to build 3 crore houses. We will have to see how many houses we will be able to build in the Seventh Five Year Plan and how much amount we will be able to allocate for housing in the Eighth Five Year Plan. But the way we are working we will not be able to solve this problem.

The situation in the rural areas in my district is such that 99 per cent of the people are living in huts and there is not a single *pucca* house there. If some *pucca* buildings have been constructed in the rural areas, there are only public buildings and schools which have been built under the N.R.E.P. In this connection, efforts should be made to solve the housing problem by giving priority to backward areas, desert and hill areas, tribal areas and the slum areas in the cities in the matter of housing. You want people to build their houses but in the absence of sites how can they build their houses. Hence, in the remaining 2 years of the current Five Year Plan you should implement this programme on a war-footing and issue necessary directions to the States to do so as well. The State Governments have done the same earlier also. You should take steps to make provisions for allotting plots of land to the landless people. In the present Bill, provisions have not been made to appoint representatives of people as Directors. Banks always disregard the representatives of people which no other organisation does. The lead banks are filled with Government officials and no M.P. or M.L.A. is associated with them. That is why banks encourage bureaucracy and not the representatives of the people. Therefore, it becomes difficult for the poor people to get loans. He keeps on taking rounds of the banks for 3-4 months and is able to get the loan only after bribing the bank officials. You should bring about radical changes in this connection so that the people in the rural areas are benefited and arrangements can be made for providing housing facilities to them.

[English]

DR. DATTA SAMANT (Bombay South Central) : Sir, I have been hearing the speeches for the last two days and waiting for my turn. All the Members from the Treasury Benches have called this Bill as a good Bill and a good proposal, and have ultimately come to the same point, as the hon. Member Shri Jain has said, that what about the housing for those 99 per cent of the voters who are staying in the villages. I am going to ask a categorical question from the hon. Minister. 37 per cent of the population of this country is below the poverty

line. This I have noticed from the reply given by the hon. Minister. Is this Bill or this apex body or whatever it may be, going to provide loans to the poor people? So far the Congress Government has been starting from the top and is not bothered about the poor people of this county. The poor people are not going to be benefited. All the loans and all the systems are meant only for the ten per cent higher class of the society. It is only they who are getting loans from the various finance corporations or who are benefited by the various housing boards. Nobody else is going to get the benefit. At least after getting a lot of experience, this Government should have started from the poor, making him as a unit, instead of starting from the top like industrialists and giving them loans.

Anyhow, Sir, I have a very important problem as far as Bombay is concerned. Out of the one crore people who are living in Bombay, 55 lakhs are staying in slums. Is there any provision to give them the loans? There is no such provision. Clause 14 says 'it may'. But their plans will not be approved because as per the Bombay Municipal Corporation, they cannot get their plans approved. In Bombay, 18 per cent of the people are staying in the area from where I have been elected—Lalbagh, Parel, Worli and where hon. Members Shri Dighe and Shri Banatwalla are staying. All dilapidated buildings are there. In the last fifteen days, three buildings have collapsed and twenty persons have died. They were all textile workers. I have read in the magazine 'India Today'. He says that he is for the poor. He is staying in Bombay by eating only two bananas. So, I would like to take him to the poor people. Sir, 40% of the textile workers are staying in one room tenement and they are to stand in queue for toilet, for taking bath and they have to go to bed in their turn. 90% of their family members are staying in their native place. This is poverty. Sir, you are not going to help the metropolitan centre like Bombay. What is the use of bringing forward this Bill? You would take care of only 5% of the people of this country. I would therefore request kindly to withdraw this Bill and study the basic principle and understand the basic needs of the people. What do you think of construction agency? In Bombay

[Dr. Datta Samant]

the cost for construction of one sq. ft. is Rs. 150 to Rs. 200. But the flats are sold at Rs. 1500 per sq. ft. In Lalbagh, in Central Bombay, it cost seven times of its original price and for a small flat of 300 to 400 sq. ft. is going to cost Rs. 4 lakhs or Rs. 5 lakhs. Forget about the textile workers or the middle-class people. The hon. Member Shri Sharad Dighe and the hon. Member Shri Banatwalla are living there and they cannot afford to buy this flat. You have sold the land to the private agencies and you have minted crores of rupees in this way. In the Rangarajan's Report they have praised the private agencies and they have done good work. But, Sir, they are the first-class smugglers. They have cheated people and they have earned money. Private construction is worth about Rs. 18,000 crores. You have neglected the poor people. Now, they are constructed like this—50 blocks—50 wise, 60 blocks 40-wise and 40 blocks 60-wise. This is how money has been paid in Bombay. So, out of these Rs. 18000 crores, your official figure for the construction of these flats is Rs. 15,000 crores. This Government is sleeping and they never bother about the average man, poor man. If that is the fate, then what for the construction agency? The land in Bombay costs Rs. 3000 to Rs. 5,000 per sq. ft. in Bombay. If the construction is going to remain in the private people, not even 5% of the people in Bombay will be able to get these flats. The flat would cost Rs. 3 lakhs or more and the instalment would be Rs. 1500 or more per month. You may have your Apex Bank or any other Bank. I would ask the hon. Minister one point. Sir, the way you are collecting the provident fund of these people for this purpose, you will be paying 12% interest. But you are going to take more from the public by way of selling these flats at higher costs. You are taking this money from the average man, but you are not giving this loan to the average man. You are going to give this money collected from them on loan at the rate of 17% or 20%, and again on the amount of Rs. 2 lakhs or Rs. 3 lakhs being the cost of the flat, you are going to collect Rs. 1500 or more as instalment per month. The person who is doing smuggling, who is cheating the people and who is corrupt is getting the benefit. Only 5% of the people

in Bombay can get access to this fund and can get these flats but the average people and poor people of this country are going to suffer.

Sir, I have suggestions to make for the consideration of the Government. What about the fixing of prices of the land. Grand fathers and the great grand fathers had taken the land long back. They are now going to collect crores of rupees. But, Sir, you should fix the cost of the land before they are sold at exorbitant price. Godrej is having 5,000 acres of land in Bombay. Can anybody dare touch his land? It will be sold in black. Sir, therefore, I want you to construct cheap houses and that is the need of the poor people. Giving money to the private people or 'bania' is not going to help these poor people and it is not the need of the country. You construct only cheap houses for them. You have neglected the poor people in Bombay. I would therefore request the Government to fix the price of land in Bombay. You nationalise the land in all the big cities in the country. Otherwise, the cost of the house will be going high and high. What do you mean by cheap housing? In regard to cement-blocks concrete-block, has any research been done so far? The old system is going on and therefore Government should seal the land price and take all the lands in all the cities, have the agency appointed to construct cheap houses for the poor people. You may say; why don't you construct? You have got lakhs of workers". Sir, you have got their provident fund money and they are prepared to give you Rs. 75,000 and Rs. 50,000 and you use some little money from your fund and construct cheap houses on mass scale like two-roomed flats. If you take the initiative and seal the land in the cities and construct flats on a large scale, I think that that will help the poor people. Otherwise whatever houses you are going to construct with this money will be used by the private people. This is all going in the vicious circle.

Sir, one point more and that is, we are going to spend money on machinery, you are going to open an office in Bombay. The establishment charges are going to be so fantastic that you cannot afford to give loans for less than 20 per cent interest. This is going to be a luxury for top people. Nowa-

days the ownership flats are purchased with the black money and the builders are making money. In the same way, this is the affluent class people who earn more money and that is going to be the fate of the Bill. So, I would appeal to you to withdraw this Bill and have some basic principle for construction of houses at a cheaper rate.

[*Translation*]

SHRI MANVENDRA SINGH (Mathura) : Mr. Deputy-Speaker, Sir, I support the National Housing Bank Bill. At the same time I want to draw the attention of the Minister to the fact that perhaps while framing this Bill he forgot that 70 per cent of the Indian population, in fact slightly more, lives in villages. Forty years have passed since India became independent but till today, housing facilities have not been provided in the rural areas. The problem of housing is a complicated problem along with various other problems. Although we can see *purca* houses in the villages but it has to be seen whether these have been constructed by the Government or by the people themselves.

Under the Indira Housing Scheme, it has been envisaged to have 20 to 40 houses in each block in the rural areas. Under this scheme, each individual is to get Rs. 6,000 or Rs. 6,500. Have you taken into consideration the price of the building materials and the labour charges? Can we construct a house with this amount these days? With this sum of money only the bare four walls can be raised and the rest of the expenditure has to be borne by the poor people themselves. Moreover, do you think that by providing housing facility to only 20 or 40 people in each block, you have made significant achievement? Are you aware of the total population of each block? Each block consists of 60 to 100 villages. From this account, do you think that you have made significant achievement? If you go to the rural areas today, you will find that the condition of farmers is very deplorable. Their debts are increasing day by day. I have submitted in this august House many times that under the various housing schemes in the cities you extend loans for constructing dwelling units and also provide flats to well-off people on instalment basis. But no such scheme has been evolved for the rural areas

so far. I want to know from the hon. Minister as to why such housing schemes have not been formulated for the rural areas? Along with this Bill you should have presented some scheme for the rural areas also in the House. But you have not formulated any such scheme. The funds which you are going to provide will benefit only those people who are already engaged in this business. Whether any provisions are being made in this Bill that institutions like banks, cooperative societies or insurance agencies would be able to extend loans to the poor people as well? If some poor people who do not have any land or property to offer as surety, approach banks for house-building loans, will the banks extend loans to them? Such provisions should also have been made. The medium scale projects in the urban areas are meant for the middle class people. Thus, even in the towns and cities, you have made no provision for the economically backward sections. Are banks prepared to extend loans to labourers working on daily wage basis in the urban areas, who are shelterless and sleep on the streets or the agricultural labourers who are also without any shelter and during winters spend their nights by sitting near fire? Have you formulated any scheme for such people? The said scheme will benefit the middle classes and the upper classes and those agencies which construct houses after taking loans from this bank. Your Bill will help the business class, the industrialists and other rich people. It will certainly not benefit the poor.

Therefore, I want to suggest that while formulating such schemes in future, you should ensure that the poor people are able to get house-building loans without having to offer any security and also that land allotment is made to them in the villages or towns or housing cooperatives are constituted which can construct houses for them. If the poor people get loans from this bank, then it will benefit 70 per cent of our population. Rs. 100 crores will get exhausted in paying salaries to the officers and other staff of the bank and other establishment charges. I want to request you to enhance this amount and make this programme effective for helping the poor people.

[*English*]

SHRI G.I. PATEL (Gandhinagar) : Mr. Deputy-Speaker, Sir I welcome the Bill and

[Shri G.I. Patel]

I support it. As we know, the housing problem is very acute in the country and the Government has taken a very good step to solve this problem.

In the country, the cooperative movement is going on very well and, therefore, I have suggested and moved certain amendments to clauses 6 and 14 of the National Housing Bank Bill, 1987.

The proposal to set up the National Housing Bank is indeed a land-mark in the history of housing finance in the country. It is a recognition to the national concern for improving the housing conditions and commitments to support proper development of housing stock. It is a positive step in the direction of providing homes to all, as pronounced in the Prime Minister's 20-point programme.

However, the housing cooperatives which are playing very important role do not find any place in the Bill. The cooperative housing movement is now a substantial movement consisting of 40,000 housing cooperative societies all over the country, with a membership of 28 lakhs. This movement has to its credit 6 lakh houses already constructed and an equal number is under construction. Housing finance is an integral part of this movement and there are already in existence 24 Apex cooperative housing finance societies in various States and Union Territories, each providing long-term loans to its members. The total advances given by the Apex housing finance societies over the years is Rs 1500 crores. Annually, the Apex housing societies are investing Rs. 150 crores. Moreover, the members themselves also are spending 50% and the total investment of the cooperatives is more than Rs. 3,000 crores and annually it comes to Rs. 300 crores.

Certain Members have doubted that the money will not reach the poor people. But in our country, the cooperative movement is so flourished and strong, we can definitely go to the cooperatives and we can invest money through the cooperative societies and it will reach the poor people, E.W.S. and L.I.G. and M.I.G. people.

My humble request to the Finance

Minister in respect of this Bill is this that the Bill very progressive but the NHB is proposed to be set up on the line of NABARD. On the Board of Directors, there are two Directors of the agricultural credit sector. In the same way, National Housing Federation is an All India Body. All States, all the Apex Bodies, are affiliated to it. I propose that two Directors must be from the Apex National Housing Federation and investment also and due respect should be given to cooperative sector.

In Clause 14, you have suggested scheduled bank and other things. You should accept my amendment to propose the cooperative societies also.

The Bill has made a provision of Rs. 100 crores. But my proposal is that it should not be less than Rs. 500 crores, looking to the demand of housing and it should not be dominated by the Reserve Bank also because of the interference of the RBI NABARD has not very much developed. I request the hon. Minister that the NHB should not be totally under the Reserve Bank. There must be two or three Directors from the Reserve Bank and Government but more Directors should be appointed from the people and cooperative movement. This is my suggestion. I have already moved two amendments. I hope the Finance Minister will accept the amendments.

[Translation]

SHRI UMAKANT MISHRA (Mirzapur): Mr. Deputy-Speaker. Sir, many, many thanks to you. We welcome the steps taken by the hon. Prime Minister for eliminating poverty and lifting the poor people above the poverty line. The 20-Point Programme initiated by late Shrimati Indira Gandhi is being taken forward by the present Government under hon. Shri Rajiv Gandhi. Our hon. Minister of State for Finance Shri Janardhana Poojary is also a very devoted Minister. In order to ensure that the loan assistance extended by banks reach the poor in villages, he himself visits villages and sees whether the work is being done in a proper manner.

The National Housing Bank will enable the people to construct their own houses

and they will be able to get an opportunity of fulfilling their requirements. Therefore, I welcome this Bill. A programme can be said to be useful for this country only when it provides maximum benefits to the rural areas. The National Housing Bank should finance the various banks in the rural areas which are extending loans to the unemployed people under the I.R.D.P. or helping the poor people in other ways. If such arrangements are made, then the poor people can take loans from these banks and construct their own houses.

If you go to the villages you will come to know as to how many poor and middle class people live there. You will find that most of the people in the rural areas live in mud houses. It is a matter of great shame for us that we are not able to provide houses to 75 per cent of our population living in the rural areas. Through this Bill the Government should make such arrangements so that these people are able to take loans for constructing houses.

I want to request the hon. Minister that he should ensure that the people living in the rural areas are able to reap maximum benefits. This will improve the economic standards of the rural poor. With these words I express my thanks to you.

15.00 hrs.

STATEMENT RE : LATEST
DEVELOPMENTS IN SRI LANKA

[English]

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : When the Prime Minister spoke to the House on developments in Sri Lanka, on the 9th of this month, he had said that, even at this late stage, we hoped that better sense will prevail and the LTTE would hand over their arms and support the Indo-Sri Lankan Agreement.

There was no immediate response from the LTTE, which continued to attack the IPKF and civilian targets, forcing the civilian population to give them shelter and using them as shields for their operations

against our soldiers. Their propaganda campaign continued, and they sent messages to the UN Secretary General and other individuals, alleging that the IPKF was committing atrocities against the civilian population.

In the circumstances, the IPKF has been forced to continue its operations against the LTTE. At the same time, we have placed increasing emphasis on getting those areas of the North that have been freed from the LTTE's grip, including Jaffna, back to normal. Emergency supplies are being sent both by air and ship ; electricity and telephone communications are being restored through equipment that we have flown out.

Sir, the people in the areas now under IPKF control are beginning to emerge from their nightmare. They realise that they no longer need to fear for their lives, or to live under coercion. They are beginning to come forward to point out LTTE caches to the IPKF ; there are reports that in some areas they have prevented LTTE operations. All this has helped the IPKF.

Perhaps realising that they no longer represent the wishes of the people, numbers of LTTE personnel have become disillusioned ; surrenders are taking place, and there have been indications that increasing numbers of the LTTE cadres now realise that there is no future in a continued and futile confrontation with the IPKF.

Faced with the resentment of the people of Jaffna, who are unwilling any longer to countenance LTTE obduracy, and in the face of sustained IPKF pressure, they have now released the eighteen IPKF soldiers in their custody. This is a positive development, and is a vindication of the policy followed by Government of firmness, coupled with a willingness to keep the door open for negotiations.

A number of well-meaning people, who have been in touch with the LTTE leadership, believe that the LTTE needs a little time to hand over their weapons and declare their support for the Indo-Sri Lankan Agreement. These sentiments have been echoed in the House. In response, Government have decided that, for forty-eight hours, starting from 7 a.m. tomorrow, the