

DR. CHINTA MOHAN : 'Ayes' have 15.02 hrs.
it, I press for Division.

[English]

MR. DEPUTY SPEAKER : Let the lobbies be cleared.

NATIONAL HOUSING BANK BILL
—CONTD.

15.00 hrs.

MR. DEPUTY SPEAKER : Now the lobbies are cleared. The question is :

MR. DEPUTY SPEAKER: Let's now take up item No. 8 on the agenda-National Housing Bank Bill. Shri Vijoy Kumar Yadav may continue. He is not present.

"That this House disapproves of the Constitution (Scheduled Tribes) Order (Amendment) Ordinance, 1987 (Ordinance No. 5 of 1987) promulgated by the President on the 19th September, 1987."

Now Sharad Dighe may speak.

The motion was negatived.

MR. DEPUTY SPEAKER : Now I shall put the motion for consideration of the Bill to the vote of the House. The question is :

SHRI SHARAD DIGHE (Bombay North Central): Sir, I rise to support wholeheartedly the National Housing Bank Bill to establish a bank to be known as the National Housing Bank to operate as a principal agency to promote housing finance institutions both at local and regional levels and to provide financial and other support to such institutions.

"That the Bill to provide for the inclusion of certain tribes in the list of Scheduled Tribes specified in relation to the State of Meghalaya, be taken into consideration."

Sir, the idea was there in the air for a long time and it was finally announced by the Prime Minister in this Budget speech on 28th February 1987. At that time, in paragraph 26, he had said, "A new financial structure will be created to provide funds for housing. At the apex level, a new National Housing Bank will be set up by the Reserve Bank of India with an equity capital of Rs. 100 crores". The announcement that was made at that time is being implemented by introducing this Bill. Before that announcement was made, the idea was stated in the Seventh Five Year Plan also. Not only that, the Urban Development Ministry with the support of the Planning Commission had initiated this idea and appointed a Committee for the purpose of examining this idea. Accordingly, that Committee had been appointed under the Chairmanship of the Deputy Governor of the Reserve Bank, Shri Rangarajan on 17th June, 1986 to examine the proposal of setting up of National Housing Bank. The report of that Committee was received on 4th February 1987 and it recommended the establishment of this bank. A mention was also made in the national housing policy draft and in paragraph 8.1, it was stated:

The motion was adopted.

MR. DEPUTY SPEAKER : The House will now take up clause by clause consideration of the Bill. The question is :

"That Clauses 2 and 3 stand part of the Bill."

The motion was adopted.

*Clauses 2 and 3 were added to the Bill.
Clause 1, the Enacting Formula and the Title were added to the Bill.*

DR. RAJENDRA KUMARI BAJPAI : Sir, I move :

"That the Bill be passed."

MR. DEPUTY SPEAKER : The question is :

"That the Bill be passed."

The motion was adopted.

"A new financial structure will be created to provide funds for housing;

At the apex level, a National Housing Bank will be set up."

These are the commitments of the Government for a long time and I am happy that by introducing this Bill, that commitment is honoured in this session. The housing problem, whenever it was discussed in any brochure, or in any treatise, it begins with the sentence 'Housing is a basic necessity which comes after food and clothing'. But, unfortunately, in this country, due to various other problems, this problem has taken a colossal magnitude and if I may refer to the Rangarajan Committee's observations about this magnitude, it will give a clear idea about the present state of affairs as far as the housing units are concerned. In the report of the high level group on the proposal of setting up of a National Housing Bank and other allied issues under the Chairmanship of Shri Rangarajan, in paragraph 2.1 it is stated:

"According to the estimate of the National Building Organisation, the housing shortage in 1981 was around 21 million units—16 million units in rural areas and 5 million units in urban areas. Based on these data the Seventh Plan has placed the housing shortage at the beginning of the Plan Period in 1985 at 24.7 million units, i.e., 18.8 million units in rural areas and 5.9 million units in urban areas. The increase in population between 1985-91 is expected to generate roughly an additional requirement of housing units to the extent of 16.2 million units of which 12.4 million will be in rural and 3.8 million in urban areas."

This problem has, therefore, got a colossal magnitude and it is an uphill task. In order to provide this additional housing units for the whole population, as estimated, we will have to organize housing finance for this purpose. At present, there are two types of housing finances existing in this country, namely formal and informal. The formal housing finances would include budgetary provisions, finances from general financial institutions like LIC, GIC and specialised housing institutions like

HUDCO. Informal financing would include finances to be provided by households, public and private sector employers.

If we see the figures given by the same very Committee, it shows that in 1982-83, the formal housing finances were only 25.6 per cent of the total housing finances. The budgetary provisions, general financial institutions and specialised housing institutions are providing formal housing finances to the extent of 25 per cent only. It is Rs. 1071.18 crores as against a total of Rs. 4179.23 crores. The remaining 74.4 per cent of total Rs. 3108.05 come from the informal sources, namely households, private and public sector employers. Therefore, it is necessary to increase the flow of finances from formal sector and from this point of view, setting up of the National Housing Bank would be a great impetus. There is need to adopt measures aimed at larger flow of resources for housing and at the same time provide the stimulus and opportunity for households to undertake additional savings. Both these things can be achieved if we properly implement this Bill, the National Housing Bank Bill.

The Bill seeks to establish an apex bank which would be known as the National Housing Bank with a seed capital of Rs. 100 crores which can be raised to Rs. 500 crores if the Central Government so desires. This Bank is being established to promote and develop housing finance institutions. This is going to be an apex institution and the idea is that it should promote at the lower level, regional level, base level other financial institutions to mobilize finances from the savings of the household category and other categories. The objective is very laudable and there is a great necessity to establish such a Bank.

I would now make certain observations as far as the present provisions of this Bill are concerned. Firstly, the seed capital which is contemplated at only Rs. 100 crores may be raised to Rs. 500 crores at the initial stage only considering the colossal task which we have to achieve. Even Rs. 500 crores would be less and we are beginning with a seed capital of only

[*Sh. Sharad Dighe*]

Rs. 100 crores. My appeal to the Government will be that at least when we start this, do not start with Rs. 100 crores, but start with Rs. 500 crores so that a good beginning can be made in this field and we can get a further impetus. Then, after considering the experience of this Bank, we may also consider raising the finances of this Bank and provide further capital for the Bank.

This is my first submission. Then secondly, I would say that the whole machinery which we are providing appears to be top heavy. We are providing Chairman, Managing Director and 13 Directors. As per Clause 6, 13 Directors are provided for the purposes of functioning of this Apex bank; 3 Directors from amongst the experts in the field of housing architecture engineer, sociology finance, law management and corporate planning etc. Further 3 Directors are persons with experience in the working of the Constitutions involved in providing funds for housing etc; 2 Directors from the Reserve Bank and 3 Directors from amongst the officials of the Central Government. Then, again there are 2 Directors from officials of the State Government. I do not exactly follow this sub-clause (f) which says, "2 Directors from amongst the officials of the State Government". Which is the State Government? Now are they going to choose? We have got several State Governments under this federal Constitution and it will be difficult to choose these 2 Directors from the officials of the State Government.

AN HON. MEMBER: They will be on rotation.

SHRI SHARAD DIGHE: Therefore, I would submit that we should decrease the number of these Directors. It is not necessary to have so many directors in the Apex banks which are going to mobilise the finance from the institutions which you are going to create. Therefore, so many directors, according to me are not necessary. The Government may in the course of time consider decreasing the number of these Directors. Not only the Directors, we are providing for an Executive Committee under the Clause 12 which says:

"The Board may constitute the Executive Committee consisting of such number of Directors as may be prescribed."

So, instead of having Executive Committee and Board of Directors, I would submit that you decrease the number of Directors and instead make a small compact body of Directors. Only then we can have less expenses as far as the management is concerned.

I further submit that with this number of Directors the machinery will be very much dominated by the Reserve Bank. And if you dominate this body by the Reserve Bank, then when we say that it should be on business principles with due regard to public interest, I am afraid that they will only provide the finance on the usual, general business bank lines. That will not solve the problem. What is necessary is, to provide finance for household individuals and Co-operative Housing Societies and some such institutions who come forward for constructing houses. Liberal finance should be provided on liberal terms without insisting upon the general way of having guarantee. Otherwise people will not be able to get the real advantage. Therefore, if we dominate it by the Reserve Bank because the appointment of these Directors is by the Central Government in consultation with the Reserve Bank, then the whole supervision, the direction, the control will be more of the Reserve Bank than of the Central Government. And if that is done, then I think this will be another Reserve Bank only and it will not be able to facilitate the lending of money for the purpose of housing on liberal terms, which is quite necessary as far as this Act is concerned.

The functions that are mentioned in Clause 14 are no doubt laudable. These have to be there. But they do not fully reflect our National Housing Policy as envisaged in the Draft on National Housing Policy. Therefore, some more additions have to be made. For example we have not stated that the lending policy would be liberal and would also be guided by the

Central Government according to the Housing Policy of the Government. Merely establishing financial institutions and formulating schemes and asking people to have seminars or to organise training programmes for expertise etc. will not help ultimately. The crux of the whole problem is the lending terms. What are the terms on which you are going to lend to the persons who come forward to construct houses, more specially the individuals and the cooperative societies? Therefore, some guidelines should be framed. If it cannot be done in this Act, guidelines should immediately be given by the Government. Unless we have these guidelines, the Bank will again be only on the lines of the usual nationalised banks and it may not serve the real purpose for which we are creating this bank.

As far as Clause 14, Sub-Clause (i) is concerned, it says "formulating one or more schemes for economically weaker sections of the society which may be subsidised by the Central Government or any State Government or any other source." I do not exactly follow what they mean by these 'schemes'. Are these schemes for housing or for lending or for some other purpose? This has to be made clear. Otherwise this clause will have no meaning and nothing can be achieved when it is not clear.

Now, I come to implementation. The real crux of every good legislation is implementation. Establishing these financial institutions means the Government has to issue notification, frame rules, appoint directors and so on. You have to implement so many things if this financial institution should come into existence. For this purpose, I will appeal to the Government not to take the usual long time. As this is a very urgent matter, all these things must be expedited.

While we are establishing this National Housing Bank, we must also side by side take other necessary steps immediately to encourage housing and other construction activities, viz. developing suitable land sites, providing these land sites to the persons who come forward to construct houses,

etc. If you provide finance without land site it will not have any effect. Therefore, for this purpose, Urban Land Ceiling Act will have to be suitably amended and the excess land that would be made available should be given to the traditional cooperative housing societies of the tenants or to those individuals who come forward to build houses for their own needs. Accordingly, mortgage laws also will have to be suitably amended because no financial institution is prepared to give loans on mortgage because of certain hurdles in the law. Redeeming these mortgages and recovering money takes a long time of immovable property on account of these hurdles in law, and people are reluctant to advance such loans. Therefore while we are establishing this National Housing Bank, we must, at the same time, take other measures that are recommended in the Report of the High Level Group. With these words, I wholeheartedly support this Bill.

PROF. N.G. RANGA (Guntur): Mr. Deputy Speaker, Sir, I wish to congratulate the Minister for being entrusted with piloting of this Bill. If for nothing else, he should feel happy that he has this unique opportunity of becoming the author of this Bill and eventually of this Act by which this Bank would come into existence.

15.26 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

I also wish to thank the spokesmen from the Telugu Desam Mr. Rao and our friend Mr. Chairman for the very constructive contributions which you have made in giving us the relevant facts and also making constructive suggestions. It is true that we are all unhappy that after 40 years of the passing of our Constitution, we are now busy with this Bill. It should have come so long ago but anyhow it has come fortunately for our present Prime Minister Shri Rajiv Gandhi who can always claim to be the author of this Bank, for having thought of it and then providing such huge funds. But, then that word 'huge' has got to be qualified. I agree with you when you said that to start with it should be

[Prof. N.G. Ranga]

even with a petty sum of Rs. 500 crores, not Rs. 100 crores. In course of time the Reserve Bank being authorised to continue to supply to the tune of several thousands of crores of rupees to this Bank, in decades, rather I would say within one decade itself. What is the magnitude of this problem? Mr. Rao of the Telugu Desam and you yourself are good enough to enlighten the House in regard to the magnitude. It is a growing problem. Rangarajan—the Chairman of that Committee—had himself warned us about it.

Sixty years ago, we made a survey in Madras city of both slums as well as homeless people. At that time, we were horrified to find that there should be homeless people at all at the pavements of the city of Madras. But today, what are we to say when we find these homeless people not only on the pavements but also on the roadsides, on the waysides and in the rural areas also?

Not only in the Municipalities, even in regard to big villages, these things are growing because population is growing. With the growth of population, the ability of our people to provide not merely with pucca houses, even huts is not growing. On the other hand, they are obliged to be satisfied with hutments with mere shelters of not tin sheets but mere palmyra leaves. In South India palmyra leaf is a great thing because it provides some shelter. In Northern India, I do not know what they use. Sometimes, they use cloth and rags and various other things also. Therefore, this is a growing menace and a growing problem. To try to meet the demands of the people for housing in this direction, is going to be a colossal problem. In our efforts to solve this problem, we have got to think in terms of not only all those things which you have so carefully mentioned but also the ways and means by which these bricks can be made and burnt and then supplied. Corrugated sheets, tin sheets, timber sheets and various other things—this is an industry which has got to grow. It is there already, in a pell-mell to was. It has got to be organised and for that money is needed. This Bank is not supposed to look after all these. Therefore, the objective of this Bank has

got to be expanded not only in the directions you were good enough to suggest, but also in these directions, in order to see that this industry grows, is allowed to grow fast enough, in a sound manner and in all directions, so that it would be able to meet the growing needs of our people.

The needs of our people, their dimensions, and their quality keep on growing, as the conceptions of our people for shelter go on expanding. There was a time when people were satisfied, as I have said, with rags as shelter. Then, later, on, palmyra leaves, then corrugated sheets and so on like that. Now they would like to have pucca houses. Cyclones take place; floods take place every year, and then fires also break out in summer. Thousands and thousands of houses, hutments and huts are being destroyed. Protection has got to be provided to all these people. This Bank has got to find funds in order to help our people.

What is this Bank? It is to be a kind of an apex Bank. Is it enough to have only one bank? As our friends have said, as you yourself have mentioned, only one—fifth or one—sixth of the houses that are supposed to be needed, are needed, by the urban people. For the rest of the people, i.e. rural people, 5 or 6 times the number of those houses are needed. If you have only one bank for both of them, as sure as anything, they will give preference and priority to towns' needs—from municipalities to corporations. Rural areas will come to be neglected.

Therefore, it is time Government make haste, in order to have two banks, one for rural areas and rural people, and another for urban areas and urban people. Then alone some justice will be done.

What is happening? As I said, in villages also, you are having these homeless people. Then hutments and all the rest of it are there. How can you satisfy their need and say that you are really genuinely passionate about Indira Jis, garibi hatao if you have to have only one Bank, and that too mostly for towns' people? Of course, you are saying—in

name—that it is for rural people also, and for the societies. Then, the apex Bank is to finance so many of these societies—cooperative societies, corporation societies and employers' organizations. You were good enough to mention individuals also. Most of these things are to be found in towns only, and in corporations and cities. In Villages, you don't have them.

I am not at all opposed to what you call excessive powers that are being to the Reserve Bank. We know how the cooperatives are being managed. They are being mismanaged. There is a lot of corruption there. So many of our own hon. Members were bearing witness to that fact. Therefore, you cannot have too much power invested with the Reserve Bank. I have no objection to that.

More of these societies have got to be organized. Government has got to take the initiative, State Governments as well as the Central Government. They should not simply pass this law, and then say to themselves: Societies are going to come into existence; they will raise money to some extent; and then, thereafter, State Governments will subsidize them and Government of India would also subsidize them; and on top of it, credit would be supplied." No. Governments have got to take the initiative. Some of the Governments have already begun to take the initiative.

Most of the Governments all over India, under the inspiration of Indira Ji, were good enough to provide a large number of house sites to our Harijans and backward classes also. But that is not enough. Ten times more has got to be done, even in this direction. Then only your point would be met. House sites have got to be there; but, is it enough to provide them with house sites? What about houses? For instance, take the Telugu Desam Government in Andhra. It has taken the initiative. They have just started work, but on those lines, other Governments also will have to start. In order to enable them to start this kind of constructive work, you have got to provide money not only to the societies but also to the local governments, zila pertishads, public institutions,

whether of government, semi-government or cooperatives, whichever institution is willing to take risk of organising and constructing these houses. They have got to be provided with the necessary funds; that has also got to be mentioned more clearly here in this Bill; and if not, later on when they formulate these rules and regulations under this Bill.

Fire insurance has to be organised if we are going to construct these houses. At present, upto Rs. 6000/- grant is being given; upto Rs. 10,000 or Rs. 20,000 loan is being given for Harijans, for tribal people. This money is not enough; this is useless money; it is losing its value because of inflation. Therefore, much more has got to be done in that direction.

Fire takes place in summer and these houses are destroyed as they are not highly pucca houses; they are only ramshackle houses. With this small sum of money, you cannot construct good houses. So, these houses are liable to catch fire and then they are destroyed also. Therefore, side by side with this, almost simultaneously, fire insurance has got to be organised. Government has got to come forward with necessary legislation and establish necessary institution not the kind of a fire-brigade which we have here in towns. In every village, there must be some provision to be made for this, How you are going to do it, this has got to be studied.

You are taking an objection to the Executive Committee. All right, they are very important details. I would like them to consider the constructive suggestions that you have made. In addition to that, I would like them to develop a department for studying various types of housing, their cost, ways and means by which house building materials which would be needed would come to be produced. For instance, cement, iron and steel. They have to be provided. Today, there is no provision in the plan that the government has made for supplying all these things to the extent that is needed and therefore they must have various sections to implement not only a few suggestions that I am making but also various other suggestions our friends

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would be making; and later by the public themselves to implement these things. They must have a big enough organisation at the Centre and also at the State level. These banks should be strengthened by similar banks at the State level with the help of the National Bank.

I am glad that they have made a provision for these banks for borrowing money from abroad. I want a greater effort to be made to interest international organisations which are interested in the development of housing in order to be able to get not only advice and assistance but also financial resources as grants and as loans. In these directions, efforts have to be made, and in order to make these efforts, I have no objection if they have too large a Board of Directors. But I agree with you, in vesting the Reserve Bank of India with such arbitrary powers as to the dismissal of these Directors etc. their appointment, their conditions of employment are not good. It looks as if a Director is a kind of born slave under; the control of the Reserve Bank of India; it ought not to be like that. No self-respecting man would be willing to come under the aegis of this Bill as a Director, if the Reserve Bank of India has got to exercise such arbitrary powers. Nevertheless, the Reserve Bank of India must have powers to control all these societies; and in addition to that, they have got reserve powers for themselves to examine their accounts, to study their means, that the ways in which they manage themselves etc. And why? In order to protect the finances that they are supplying. But they have not said the most vital thing and that is, to protect the interests of the people who would be borrowing money who would be using this money for the construction of their houses and also to protect the interests of the general public. This is a big omission and I hope, somehow, by another amendment bill or while formulating the rules and regulations Government would take sufficient care to see that the interests of the general public as well as the members of the co-operative societies and house building societies and also those people who would be investing their money in this would be properly protected.

SHRI ANIL BASU (Arambagh): I think Prof. Ranga will feel unhappy because if an

in-depth study of the proposed National Housing Bank Bill is made, it will be clear that this Bill is meant for only eight per cent of our population. Sir, While you are speaking you referred to the report of the Rangarajan Committee and he cited some portions of the report also. You referred to some portions of the report, but I think you conveniently avoided some portion, which is the most important part. I am coming to that point later on.

This Bill intends to promote regional and local level housing finance institutions with the object of mobilising the resources for financing housing construction. It will provide capital as also professional expertise in the initial years to individual institutions to be set up at local levels. But let us examine the Bill in the background of the housing problem prevailing in our country today.

Any national bill amounts to an action programme of the Government. In this particular Bill let us see what is the action programme of the Government. I completely agree when the hon. Member said, that housing is the basic necessity next to food and clothing, in importance. The National Building Organisation, in a survey, estimated the housing shortage in 1981 to be the tune of 2 million units in our country — 16 million in rural areas and five million in urban areas. The Seventh Plan has placed the housing shortage at the beginning of the Plan period, that is, in 1985 rural at 24.7 million units and in this 24.7 the million units 18.08 million units are in the rural areas and 5.9 million units are in the urban areas. According to the Government report also — during the discussion in the House it was reported that — 37 per cent of our population is living below the poverty line. That is, they could not earn their livelihood, they cannot provide two square meals to their children. There are also millions and millions of children in the metropolitan cities earning their livelihood without a shelter. There are helpless widows who need shelter. There are industrial workers workers of sick industries, workers of companies which have declared lock-outs, who are millions in number. It is ridiculous to note that the proposed Housing Bank Bill does not deal with this vast population who are the weaker sections of our society.

Sir, in Section 14 Sub-section (i) in the Page 7 in this Bill, it has been stated

“formulating one or more schemes for the economically weaker sections which may be subsidised by the Central Government or any other source”.

Though concern has been expressed for the weaker sections, but it is only a platitude because through this Bill only one or more schemes will be formulated by the National Housing Bank, and nothing more. So, its underlying real thrust is different to its apparent concern for the poor. So, what is the real thrust? The real thrust is to finance, as has been expressed in Page 2 in Chapter III-Sub section (d) is :

“to finance every institution whether incorporated or not which primarily transacts or as its principle obviously transacting the business of providing finance for housing whether directly or indirectly”

Sir, when millions of our people are without a shelter and when housing is required for more than twenty four million people, the Government, the Government proposes this Bill, which deals with only eight per cent of the population and therefore it is clear that the Government has no proper Housing policy.

Sir, how without a National Housing Policy, we can discuss the National Housing Finance Policy? But unfortunately, we are discussing the National Housing Finance Policy without the National Housing Policy, what is we are putting the cart before the horse. This is one of the glaring example of how this ineffective Government, this ineffective Government I repeat, functions. What happened to the Draft Housing Policy? You will be surprised to know that there appears to be two versions of the Draft National Housing Policy in circulation. The first one is dated Jan. 1987 published by the Urban Development Ministry which was available in limited quantity within the country and the second one dated March 1987, containing substantial things, was

circulated widely to the international community at the United Nation's Tenth Commemorative Commission for Human Settlement held in Nairobi, Kenya from 6th to 15th April 1987. So, this leads us to a reluctant conclusion that the Draft National Housing Policy as published would seem to have been as a sort of public relations exercise for inter-national consumption and reputation during the International Year of Shelter for Homeless and not as a serious exercise to address the worsening housing condition in both urban and rural areas of our country. Sir, a large proportion of country's population being from economically weaker sections, provision of dwelling to them would require heavy subsidisation and even of the fuller extent of the cost in some cases.

In the Rengarajan Commission Report, it has been stated that housing can be made available only to those who have got affordability.

But for the vast sections of our population, who cannot afford two square meals a day for their children, this Bill is meaningless. This Bill is meant for those who have got affordability. They will get finance. That is the theme which has been expressed in this Bill.

As I have stated earlier, 37 per cent of our population is living below the poverty line. That is the figure given by the Government of India. This means that 37 per cent of the population which have got no affordability, are out of its purview.

SHRI BIPIN PAL DAS. For them there are separate schemes under the 20-Point Programme.

SHRI ANIL BASU: I will come to that also. There are millions of street children in metropolitan cities and in urban areas who have got no shelter on their head. Similarly, the housing condition of slum dwellers in metropolitan cities is required to be improved. Through this Bill you cannot attain all this. This Bill is meant only for builders developers and affluent sections of society.

[Sh. Anil Basu]

Another important feature of housing problem is the question of land. How are you going to solve this problem of land? Land is required for housing both in rural as well as urban areas. In most of the States, mainly Cong (I) ruled States, the Land Reforms Act has not been implemented. In West Bengal we have provided homestead land to the agricultural labour, poor peasants, artisans share-croppers, scheduled castes and scheduled tribes. But that is not an all India phenomenon. Without implementation of the Land Reforms Act in rural areas, how are you going to provide house sites to the agricultural labour, poor peasants, artisans, share-croppers, scheduled castes and scheduled tribes? this is the 41st year of independence. Even now these people are not having their own homestead land.

In the urban sector, Government has enacted a legislation on urban land ceiling. What is the experience of the Government? Government made a review and through that review it was known that the Urban Land Ceiling Act had not produced the desired result because of the lethargy of bureaucracy and due to exemptions made in the law. For these two reasons, the desired result could not be achieved. Land is not available in urban areas for construction of houses. Until and unless you solve the question of land whether in rural areas or urban areas, you cannot solve the problem of housing.

Housing is required for 8.8 million people in rural areas and 5 million people in urban areas as envisaged in the Seventh Plan Document at the beginning of the Plan. This cannot be achieved through this Bill. Millions of homeless have nothing to expect from this Bill. In this connection I want to mention that some voluntary organisations which are working in this field, have raised the slogan that housing is the right of every homeless citizen of this country.

One of the volunteer organisations the National Campaign Committee for the Housing Right had met the hon. Minister of urban Development and she assured them that a national housing policy will be introduced the House after proper rectifica-

tion, after taking into consideration all the suggestions. But, unfortunately, that has not been done. Two types of national housing policies are in circulation - one in the international area and the other in the domestic area. We do not know which one is the correct. Such is the position of the Government. So, I must say that the basic purposes for which this Bill has been placed before the House are: (i) to transform housing construction into industry; and (ii) to shift the Government's responsibility from the majority of the population, that is 48 per cent who need shelter, to 8 per cent of the population which is affluent. That is what they want to do through this Bill.

Lastly, Sir, I appeal to the Government to please formulate a comprehensive national housing policy and to ensure that housing right is provided to every homeless citizen of this country. They are taking about so many big things-marching towards the 21st century -but they are not even meeting these basic requirements of the country. So, again I request the Government to formulate a comprehensive national housing policy. Without that policy, this Bill is meant only for the 8 per cent of the affluent section of the population. Thank you, Sir.

SHRI Y.S. MAHAJAN (Jalgaon): Mr. Chairman, Sir there has been a phenomenal increase in the demand for housing in recent years mainly because of the tremendous increase in population. In spite of our strenuous efforts, our population is increasing by leaps and bounds. Secondly, because of the increasing industrial activity we require more and more land for setting up factories and houses for workers. And thirdly, the demand has increased because of the large-scale immigration of people from rural areas to urban areas in search of jobs.

The immediate objectives of our Seventh Five Year Plan are food, work and productivity. I wish the Seventh Five Year plan had given equally high priority to housing because housing is an essential element in the welfare of the people *roti Kapra aur makan*. *Makan* is as essential as cloth and food. Though the Seventh Plan did not give

the housing that higher priority which it deserves, the Government is conscious of its responsibility in the matter and realises that it is an urgent problem.

The gap between demand and supply is terrible. In the urban areas, 21 per cent of the people live in slums and in rural areas, nearly 50 per cent of the people live in slums. So, we have to provide housing for such a large proportion of our population. The estimate which has been made by different authorities that we require about 41 million hutments and houses by the end of 1990, I think, is an under-statement. So, housing activity is actually important at the moment. It is important for other reasons also. Not only because, as I said, it is an essential element in the welfare of an individual, but it enables us to develop land suitable for housing purposes, it induces people to resort to more and more saving and also it reduces, as the Planning Commission has said, injustice between man and man. It improves equity between individuals in the community.

16.00 hrs.

As regards this Bill, may I point out that I welcome this Bill. But they have relied too much on the Reserve Bank of India. For instance, may I say that this Bank will be an affiliate of the Reserve Bank of India because the authorised capital will be subscribed fully by the Reserve Bank. Secondly, in the discharge of the functions under this Act the National Housing Bank will be guided by such direction in matters of policy involving public interest as the Central Government in consultation with the Reserve Bank may give in writing. Thirdly, the Chairman, the Managing Director and other Director excluding the Director referred to in clause (a), shall be appointed by the Central Government in consultation with the Reserve Bank. So this Bank will be an affiliate of the Reserve Bank.

Sir, I object to the statement made by the previous speaker that this Bill has been brought forward in the interest of only 8 or

10 per cent of the people and not in the interests of the poor or downtrodden sections of the community. In clause 14 (i) it is very clear. It says that one of the objects will be to formulate one or more schemes for the economically weaker sections of the society which may be subsidised by the Central Government or any State Government or any other source.

Sir, the Government has been so conscious about the responsibility on the economically weaker sections of people. In the last 8 or 10 years there are a number of provisions for these sections of the community. For instance in the last budget for Indira Awas Yojana Rs. 125 crores have been provided for building houses for the Scheduled Castes and Scheduled Tribes.

16.03 hrs.

[SHRI SOMNATH RATH *in the Chair.*]

Then, Sir, our Prime Minister when he visited Bombay last year made an allocation of Rs. 100 crores to reduce or to remove the slums in Bombay. Slums in Bombay are the worst, you can imagine. They are dens of stark poverty and ill health. Sir, nothing can be worse than the slums of India in Bombay for despiritualising the life of individuals. So, the Prime Minister has made a special provision of Rs. 100 crores for relieving the distress in that area.

In this Bill there is one sub-clause relating to the downtrodden people or the economically weaker section, that is a very important clause, and I am sure that if the Bank is to function under instructions from the Government, it is bound to give special consideration for this responsibility under this clause.

Sir, I would like to point out that Members have said that the capital provided to the Bank is very small. Nobody can deny that. But then it can raise the capital to Rs. 500 crores and it can take deposits from the money market.

[Sh. Y.S. Mahajan]

Sir, clause 15 says that the Bank can borrow and also accept deposits from the people. Then it can accept deposits for a period of not less than twelve months. Sir, in my view this 12 months period is too small since lending money to the people will be for 20, 30 or 40 years. The Bank will have its liability which will be payable after 12 months. So, I think this period is too small. It should not be less than three years. It should borrow for periods of 3 or more than 3 years.

Sir, at the moment housing finance is provided. (*Interruptions*). The minimum should not be less than three years because 12 months is too small a period. I hope this bank will broadly develop housing financing agencies at different levels. It will also extend financial support to the housing financial institutions and coordinate the work of financial institutions at different levels. This is a very important responsibility of the Bank.

I am sure with the proper working of the Bank and with proper instructions from the Government, this Bank will work particularly to the welfare of the large masses of the country.

With these remarks, I support this Bill.

[Translation]

SHRIMATI KISHORI SINHA (Vaishali): Mr. Chairman, Sir, I rise to welcome the proposed Bill. Our Hon. Prime Minister has also mentioned it in his Budget speech. He placed emphasis on making housing accommodation available to the people. Food, clothing and shelter are the basic necessities of life. The population of our country is constantly increasing. The amount allocated for housing during the last Five Year Plan was not utilised fully and if the pace of our progress in this field remains the same then by the end of this century we will require 4 crore more of houses. Therefore, I think that this is a very important and a very difficult question. In order to construct 2½ crores of houses, we require huge resources. The proposed National Housing Bank is to be

started with an initial capital of Rs. 9 crores but later this amount will escalate to Rs. 500 crores with the help of the Reserve Bank. I think as far as possible we should make efforts to mobilise resources on a large scale. I cannot say as to how far will we be successful but I think that it will be possible to implement this programme only when we have adequate resources.

So far as housing is concerned, I think there are many such institutions which can be engaged in the construction of low cost housing. We should seek the Co-operation of these institutions which are already associated with this work. Along with it, benefits of new technologies should also be made use of. Under the Indira Housing Scheme, many such houses have been built but how far these will be useful will be known only in due course of time.

Besides, we have to pay attention to the fact that housing facilities have to be provided to the low-income groups in our society. We have to give priority to it. In the cities we see that houses are being constructed at a rapid pace but we also have to see as to how far is it benefiting the poor. Houses are being constructed at a rapid pace in the private sector but it is to be seen as to how to make houses available to those people who live below the poverty line. Priority should be given to provide housing facility to such groups.

In the industrial sector, houses are not available to all the workers and employees. They also have penchant to build houses of their own. Therefore, every kind of support and assistance should be provided to them under this Bill in this regard. This bank should have several branches as well. At present, a lot of irregularities are committed in extending loans through housing cooperatives and the people have to undergo a great deal of harassment and difficulties in getting loans from there. Dr. Rajhans has submitted in great detail in this respect. Therefore the National Housing Bank should open branches at the State and district levels so that the people wanting to build houses can get financial assistance directly. L.I.C. also extends loan-assistance for housing purposes but this facility is only

provided to those who are insured and are residing in cities. The people in the rural areas cannot avail of this facility. Hence, I want to suggest that this bank should open branches at various places and the procedure should be made easy and convenient. In order to construct houses, building materials like cement, bricks, iron, sand, limestone etc. are required. The prices of these commodities are increasing day by day. In such circumstances, will we be able to achieve our target? Is it possible to build a house worth living with only Rs. 6000? Even if we spend Rs. 10,000 on each house, then also I think, we will require at least Rs. 1 lakh and 50 thousand crores. Will the Government be able to provide so much of funds?

I don't want to take much time. I want to thank the Hon. Prime Minister again, for he has fulfilled a basic requirement by establishing this Bank and which deserves to be appreciated. In a socialistic pattern of society it becomes essential to provide shelter to every individual and every family. It is absolutely essential to do so. I hope, there will be substantial progress in this field.

With these words I conclude.

[*English*]

SHRI PIYUS TIRAKY (Alipurduars) : Mr. Chairman, this Government is supposed to be a socialist and Democratic Government. But there is no socialist idea in this Bill.

The provision of Rs. 100 crores is a drop in the ocean if we are to solve the enormous problem of housing for all the people in the country. It would be insufficient amount to provide housing to all the people in the country. The Population of our country is growing and increasing. This is an enormous problem. The Government must be clear in its mind whether this housing policy is meant to provide shelter to all people or for making more money.

A Government which cannot provide food, clothing and shelter to its population is not a Government worth its name. It is a useless Government. If this Government cannot provide food, clothing, shelter and education to its population, how can it claim to be a Socialist and popular Government? You have taken up the task of providing shelter to all people. This demand is there from the very beginning. This is nothing new. But you have not been able to solve even a fringe of the problem.

You say "we have no resources and we have to get resources to provide shelter for all."

You have enormous resources. Black money is going parallel in your economy. Lot of money has gone outside the country. We are saying it in Parliament also. Those who have invested money in our country, are taking the money back and investing it outside our country. If the Government cannot control this trend, how can you meet the problem of providing shelter to all the population of our country?

The demand is "Shelter for All". You are organising loan melas for those who do not want money. This amounts to opening money for nothing. There is no utility out of the expenditure. You are playing with public money. You are getting hundreds of crores of money.

(*Interruptions*)*

SHRI PIYUS TIRAKP : I am speaking about the resources.

(*Interruptions*)*

MR. CHAIRMAN : It will not go on record. Side talk will not go on record. It will not go on record.

(*Interruptions*)*

MR. CHAIRMAN: I have not called you.

SHRI PIYUS TIRAKY : Sir, I am speaking of resources. I am asking the Government just about the resources. (*Interruptions*) The Government might have got money to meet the enormous problem i.e. to provide shelter for everyone in this country. Everybody has been given equal rights. This is one of the fundamental rights. Those who are born in India and those who are the citizens of India must have a shelter of their own. If this Bill were brought forward on this line, I would be very happy to speak on behalf of the Government. I would be praising the Government if the Government have brought forward such a Bill. There are moneyed people in this country. There are persons who own a number of houses and they use it for rental purpose just to earn money. In this connection, I would like to ask Why don't the Government give the tenants: the ownership right? All the tenants in Delhi, Bombay, Calcutta and elsewhere must be given the ownership right first and the money may be paid by such tenants in longterm instalments. In this way, you could solve some of the problems.

Take for instance, the Tea Industry. The Government is earning Rs. 170 crores as foreign exchange. There are labourers who are serving in such industries for the past 100 years. But after the retirement, where will they go? Have you ever thought of such people and their plight? They have to live at the mercy of the capitalists. Of course, they are saying that it is our India. But where will they go after retirement? There is no future for these people. The Government should come forward with a legislation to see that everybody should have a shelter of his own atleast. But this Bill will not provide this and this is only an eye-wash. The money that you have provided is very meagre and ridiculous. Regarding dwelling places, I would like to say one thing. If someone comes from America or England or from anywhere, why don't you allow him to go to the slums and just allow him to see as to what is India? Why don't you take him to the *Bastis* in your village where there is no road, no lights, no housing facilities etc.? People are living in huge pipes and on the footpaths. This is India. But you are

boasting of having got a Socialist democracy. The point is that you don't understand what socialist democracy is. Socialist democracy means that every person should have the equal rights. I would like to ask: Why a person should be denied of his right to have a shelter of his own? By this legislation, we are making more people homeless because the money-lenders will come and more lands would be acquired; compensation will not be given to the poor and very little or meagre compensation will be given to more number of people and this will deprive them of their lands. If you want to give serious consideration to this aspect, please nationalise all the housing lands. Please come forward with a national scheme and build houses for the poor people and for everybody for that matter. But the matter will not end there. Building the houses alone will not solve the problem. There must be hundred years guarantee for such buildings. Because if you build useless houses and after one month they collapse, no purpose would be solved. For example, We have got the case of DDA. There is corruption in DDA. House have collapsed many times. A lot of money has been spent. A national policy must be there when you are going to build the Houses. They should be guaranteed for at least hundred years. Then, people will be having some faith. I would like to say that this is not a Bill meant for the people. This is not the socialist Bill. I do not want to go into the other clauses because they are useless. Nobody understands as to what you are doing; what Bill you have brought forward and what law you are making. Because 70 per cent of poor people are ignorant and they are illiterate. They don't understand what you are doing.

Finally, I would like to say one thing. If the Government is really a socialist Government, it should come forward with a socialist Bill.

SHRI T. BASHEER (Chirayinki) ; This is the International Year of Shelter for shelterless. This bill is to set up a new organisation, namely, the National Housing Bank, which is a welcome step. I support the Bill. I am sure that the Bill will get

support from all sides. Everybody knows the magnitude of the problem. I am reminded of a few lines of Malyalam poem. Its translation is like this ;

“The snakes have the holes and the birds have the sky. But the human beings have no place to sleep.”

That is the problem.

Sir, as everybody said, housing is the basic necessity. Solving the housing problem should get Government's first priority, especially in a welfare state, Government should take the responsibility of providing shelter to all citizens, to all families. Sir, owning a house is a dear dream of everyone. This problem is there all over the world and that is why, this International Year. It is a dear dream of everybody whether he belongs to the rich, to the poor, to the middle class, to the landless and all that.

AN HON. MEMBER : Even for the opposition.

SHRI T. BASHEER : But I am sorry to note that in the past, housing has been getting lesser attention and the housing sector has been getting lesser share of Government fund. This is true. The share of housing was only 34% of the total outlay of the First Five Year Plan which came down in the Seventh Plan. It is only 7.5%. Thus, the shortage of number of houses increased during these years. According to the estimate of the National Housing Organisation, the housing shortage in 1981 was around 21 million. As my friend has quoted, the Seventh Plan has placed the housing shortage—at the beginning of the plan period, that is, in 1985—at 24.7 million units. The increase in population between 1985 and 1990 is expected to generate an additional requirement of 16.2 million housing units. This shows the magnitude of the problem. I think, the real picture may be more than that. This is the time for the Government to put all its efforts to solve this basic problem in the country. I am sure that we cannot solve this big problem overnight or within a year or two. Our friends on the

other side expect that it should be solved with the magic lamp of Allauddin. It cannot be solved that way.

The Government should formulate the schemes and make all out efforts to provide housing facility for all the people who have no shelter. Sir, it is true that two things should be taken into consideration. Firstly, the Government should have a comprehensive plan in respect of housing to handle this problem. Touching here and there this big problem will not help to ease or solve anything. So, there should be a comprehensive scheme and the Government should think on this like, formulate a comprehensive scheme and implement that scheme ; then only can we go forward.

Secondly, I agree with my friends that there should be a clear housing policy. Many times it has been said that the Government is formulating a policy ; but still the Government has not come forward with a clear housing policy. So, through our Minister I request the Government to formulate a clear housing policy.

In this context I think it is relevant to mention that in our country the picture is that on the one side there are palacious buildings. Our people construct houses not for their requirements ; but to exhibit their pomp and glory. And on the other side there are huts or *jhuggis*. This is happening in a country where millions of people have no roof to sleep under ! I have my doubt as to why the Government is silent about this. Why the Government should not restrict the construction of palacious and huge buildings which are unnecessary in this country ? I think the Government should move on this line also.

The main hurdle here is, of course, finance. We know the constraints of finance. Finance is the most important aspect. This organisation will also have to find out the resources. I would like to know one thing in this context. I can cite many instances of wasting of finance, the money intended for housing. Many people who do not actually require houses apply for the housing loan, they take loan and construct

[*Shri T. Basheer*]

buildings and then give it on rent. This organisation should look into these aspects also and stop this kind of misuse.

Another point that I would like to make is that most of our housing schemes are urban-oriented. I don't wish to say that the housing problem in urban areas is not serious. Of course, it is; there are slums. But most of our schemes are urban oriented. These schemes are not reaching the rural areas at the village level.

People are not being benefited by the housing finance organisation. This organisation should give more attention to the village level areas and for that, I think, the Government and this Organisation should try to strengthen the infra-structure at the village level. At present the only organisation available at the village level is housing cooperative. They are very very few in number. They are not adequate to cater to the needs of the village people. The village-level infra-structure should be strengthened. That should be one of the tasks of this new Housing Bank.

Sir, I find there is mention about the schemes for the poor, viz., scheduled castes and scheduled tribes in the Bill. There are many schemes but you know for the weaker sections and the scheduled castes and scheduled tribes under the scheme they are giving only Rs. 6000/- or Rs. 6500/- only. You can imagine how can they construct a house with such a meagre amount of Rs. 6000/- or Rs. 6500/-. Therefore, Government should think of increasing the amount for the schemes intended for scheduled castes and scheduled tribes.

Another point I would like to make is that this Bill is also meant to provide financial and other support. In this respect I would like to point out that the most important thing is to develop and apply low cost technology in housing construction. This Organisation should give attention to that aspect also.

Lastly I would like to draw the attention of the Government to the magnitude and

seriousness of the problem. This point has been referred to by many other Members also. To solve this problem there should be a mass movement for it otherwise it could not be solved. Our friends on the Opposition side should join in that. Government does not have any magic lamp to solve it. So there should be a mass movement to solve this problem.

Sir, some 12 years back in Kerala we tried to construct 1 lakh houses for the weaker sections. All the people—social organisations, political organisations and others—were involved into it. Then the Kerala State succeeded in building 1 lakh houses for the poor and the weaker sections of the society.

At that time, I remember, the Marxist Party was criticising and they did not join that scheme. I think, they have now understood the reality and they will join that movement. This organisation should formulate a mass movement for this purpose. That will definitely help us in solving this problem. With these words, I support the Bill.

[*Translation*]

SHRI P. NAMGYAL (Ladakh): Mr. Chairman, Sir, while supporting the National Housing Bank Bill which is under discussion at present, I want to give some suggestions. This Bill ought to have been brought earlier but now that it has come even if be later, it is laudable and I want to congratulate the hon. Minister for it.

According to a Planning Commission estimate released in 1984. We have a shortage of 28 million units. Looking at the average increase of population per year during the last three years, it seems that we will have a shortage of 3 crores of dwelling units.

You may also be aware that 1987 is the U.N. year of shelter for the shelterless. In other words, it would mean that those people who do not have houses should be provided with housing facilities. Will the hon. Minister kindly state as to how

many dwelling units have been constructed in 1987 for the shelterless people ?

I don't even know whether rural housing is covered under the Bill under which it is proposed to establish. The National Housing Bank or is rural housing kept exclusively under MUDCO ? Nowhere has it been mentioned whether this Act will cover people living in the rural areas or not. However, in clause 14 (1) of this Bill, it has been certainly stated that the Centre and State Governments will grant subsidies to the economically weaker sections. It is a very welcome step and I want to congratulate the hon. Minister for it and I would suggest to the Government that rural housing should be brought under the ambit of this Act. I am saying so because I don't want that anybody should say that rural housing is financed by HUDCO. It will create problems. As it is, HUDCO has no connection with this Bill. But I want to emphasise on it because the people living in the hill areas are not getting much benefit under the HUDCO Scheme. These are the sort of reports which we have received so far and many complaints have been received that HUDCO is not benefiting the people living in hill areas at all. I don't know to how much benefit has reached the tribal areas. The tribal people will be able to tell about it. It is true to say that it has not benefitted the hill areas. There are many reasons for it. One is that the Bank people do not want to go to hill areas to survey the land and property there on some or the other plea.

A starred question No. 125 regarding HUDCO was asked in this House only last week. In that question it was asked as to how much expenditure was incurred on rural housing in the various States and Union Territories during 1986-87 and what was the extent of implementation ? In reply, it was stated that out of 30 States and Union Territories there are 22 such States where Budget allocations were made but little work had been done. It means that some work has been done in 8 States and Union Territories. It shows that the Rural Housing Scheme financed by HUDCO is not able to fulfill the requirements of rural, hill and the tribal areas.

I want to talk specially about my constituency. As you are aware, I represent Ladakh. No bank is prepared to finance rural housing schemes there. In case some bank is prepared to do so, the procedure is so complicated that it creates enormous problem for the common man and due to which the client is fed up and does not want to pursue the matter any longer. Moreover, while filling up the form, they are not able to complete all the formalities. Along with it, the bank people also raised many objections. Again, if there are three mistakes in the form, they never point out all the three mistakes together. They point out each mistake one by one that is when they go to the Bank after rectifying one mistake then another mistake is pointed out and so on. The client is thus disappointed and is not in a mood to pursue the matter any further. I would like to request the hon. Minister to issue instructions to all the Banks for preparing guidelines in a simple language for loan seekers and they should be clearly informed about the procedure so that there may not be any scope for raising unnecessary objections at a later stage. In the absence of printed guidelines in a simple language, people have to face so many difficulties, therefore, they can be saved from it if guidelines in a simple language are made available to them. There should be special guidelines for hill areas.

The Government should give more stress on rural housing. In our country it has become a tendency that rural people are fastly migrating to urban areas due to economic and certain other reasons with the result that pressure on urban areas is going on mounting. In view of it, the Government should encourage urban housing scheme through cooperatives. In this regard only multi-storeyed housing schemes should be encouraged so that more people can be accommodated in less space and cheap electricity and water can be made available there. Hence Government should give priority to it. The National Housing Bank should give priority to finance the rural housing. It will certainly reduce the pressure of fast increasing population on cities.

With these words, I fully support the National Housing Bank Bill and hope that

[Shri P. Namgyal]

the Government would pay attention towards the points raised by me.

[English]

SHRI A. CHARLES (Trivandrum) : Sir, I rise to support the National Housing Bank Bill which is before the House. I congratulate the hon. Minister for bringing such a very revolutionary social legislation during the International Year of the Shelterless.

Some of the hon. Members on the other side have criticised the Bill saying that this Bill will not help the weaker sections of the society. I feel that they have not carefully gone through the most important provisions of this Bill. I have carefully gone through this Bill and I must say that there is a major policy involved in this legislation. It aims at giving a house to every person who does not have a house at present. The magnitude of the problem of housing and the need for giving houses to the houseless have been well explained by my previous speakers. Therefore, I am not going to deal with these details, because there is no second opinion on this issue. I must concentrate, because of the time constraint, on some of the provisions of this Bill, and I have got a few suggestions to make.

Section 14 is a very powerful section ; it gives responsibility both to the apex Housing Bank proposed to be established and the regional and local institutions proposed to be established. They can mobilize resources for financing the construction of houses ; they can also coordinate the activities of the existing institutions.

There are a number of institutions but at present there is no co-ordination between them. So, the provision contained in Clause 14 is very powerful and helpful. I feel that some cooperative institution should be set up which should coordinate the working of the several financial institutions like LIC, Unit Trust, HUDCO, IRDP, NREP and other such financial institutions, which are engaged in the construction of houses for the homeless.

Clause 15 enables them to borrow money from the open market.

Clause 16 is another very powerful clause where National Housing Bank has been empowered to borrow money in foreign currency.

As far as my information goes, under the existing Foreign Exchange Regulation Act, nobody is allowed to borrow the money in foreign currency except in some fields like the import of raw materials where high technology is involved. There are a number of international institutions and agencies willing to give money for the construction of houses for the weaker sections. I congratulate the Minister for including such a clause which enables borrowing of the foreign exchange for the construction of the houses for the weaker sections. There are many other clauses but I will not go into the details. I have a few suggestions to make.

There are several millions of people in this country who have no land of their own and thus the land is the main problem. How are we going to solve this problem ? I would submit that every State Government should be directed to give either land that would be made available after implementing the land legislation or any other Government land available with them. Thus the land should be given free to these weaker sections, otherwise this will lead to corruption as the middlemen will be able to get profit out of it. I would suggest that while providing land, priority should be given to those who live in slums. In every big city you can find the slum areas. And it is our experience that these people will not be willing to leave their places. We had one such experience in Kerala. In Trivendrum, very close to the Secretariat, within less than 1 Km. area, there used to be a slum area. A lot of efforts were made to remove those people but they were not at all willing to leave that place. Finally one of our great Leader, the Chief Minister Mr. A.K. Anthony, took a bold decision to construct multi-storeyed buildings for them. And now when we go there, we can see hundreds of families are housed in multi-storeyed buildings and now it bears the look of a posh colony. So, I would suggest that wherever there is a slum,

the housing agencies should be directed to build multi-storeyed buildings for the rehabilitation of people who live in slums.

The second section is Harijans and Girijans and I am proud to say that in Kerala a lot of improvement has been done on their part. In the Seventh Plan alone more than one and a half lakh houses have been constructed by the Kerala Government for the Harijan and Girijan section alone. That is what the Kerala Government had done for the weaker section but then one Member in the Opposition side asked, "Why the Kerala Government was defeated then"? That is a different matter. Now, when the Chief Minister of Karnataka took a decision in favour of Harijans, he was nick-named as 'Harijan Karunakaran'. They also incite all the communal and reactionary forces in the country.

All these reactionary forces stand in the way of one of the most challenging tasks of our Government, i.e. giving houses to the homeless. Even giving small loans to the weaker sections is objected to be some of our friends on that side. I know why they object. Because of these welfare schemes taken up by us, they are gradually losing their ground.

The other category of weaker sections is the fishermen in Kerala. The fishermen who live on the coastal belt are the most neglected category in our country. In Trivandrum alone, which is my constituency, there is a 30 km. long coastal belt where several lakhs of fishermen live. They have to live in a very narrow strip of land which lies between the sea and the city road. On the one hand, they have to face the vagaries of the sea and on the other, they cannot cross and come into the city. Nor will they be able to shift from that area and reside somewhere else in the city because of their vocation. The only alternative is to provide houses to the fishermen in that area itself by constructing multi-storeyed buildings all over the coastal belt. Therefore, I request that top priority should be given for the construction of multi-storeyed buildings for fishermen whose number is found in several lakhs and who live without any houses of their own at present.

17.00 hrs.

The need for tackling the problem of housing in urban areas needs no emphasis. But I will draw the attention of the hon. Minister to one particular aspect. Government servants come to cities from various parts of the country. Especially in Delhi, there are a number of people who come, from South. Both men and women come in great numbers and housing is the greatest problem faced by them. In such cases, I would suggest that the Government, on their own initiative, should come forward for the construction of flats for married as well as unmarried people. People should be provided accommodation when they come to cities to join duty. If my information is correct, it takes more than 15 to 20 years for a Government servant to get governmental accommodation. By that time he will be on the verge of retirement and till then housing is a great problem for him.

In this context, I would also like to mention about the corrupt practices indulged by some people. For example, a number of Government servants take loans from the Government and other financial institutions and construct their own houses. But instead of living in their own houses, they rent them for large sums and live in the Government quarters. I request that this practice should be stopped. People who take loans from Government and some financial institutions and construct their own houses should not be allowed to live in governmental accommodation. This would help a lot in solving the problem of housing faced by Government servants to a large extent.

Hire-purchase system also should be thought of for weaker sections so that in the course of a few years people can repay their loans in easy instalments and get houses of their own. This will help the weaker sections and other lowest category of people a lot.

Government can also think of developing some townships. When we travel, especially in the North, we see that there are miles and miles without any habitation. If the Government would think of having some

[*Shri P. Namgyal*]

townships in those areas, several lakhs of people would be attracted to these places. And in this way cooperative farming, development of agrobased industries and small and cottage industries can be encouraged and the life of the people can be changed for the better. With these suggestions, I once again congratulate the Minister for bringing forward such a challenging Bill which will go a long way in solving one of the greatest problems faced by our country, that is, the problem of housing. Thank you.

[*Translation*]

*SHRI P. APPALANARASIMHAM (Anakapalli) : Mr. Chairman, Sir, at the outset I welcome the National Housing Bank Bill, 1987 which seeks to promote housing in the country. In fact, this Bill should have been introduced in the House long ago. There is an acute housing problem everywhere in the country. I am glad that the Govt. has come forward to introduce this Bill realising the magnitude of the problem. I once again welcome this Bill. I compliment both Shri Janardhan Poojary and also hon. Prime Minister Shri Rajiv Gandhi for taking this step which is in the right direction. Sir, along with passing this Bill it should also be ensured that it serves its intended purpose well. Without proper implementation no measure, howsoever good, will be successful I am stressing this point because several attempts made by different States have failed miserably in the past. When Shri K. Brahmananda Reddy was the Chief Minister, the Govt. of Andhra Pradesh had taken a loan of Rs. 12 crores from LIC during 1970-72 for constructing houses for poor and needy under a scheme. But unfortunately that scheme failed miserably. Hence enough care should be taken to see that this Bill which seeks to establish an apex housing financial institution will not remain just another experiment. We must learn from our past mistakes and see that they are not repeated. I do hope that successful implementation would follow this Bill.

Sir, there are several Urban Development Authorities functioning in different cities in the country. Delhi too has its own Development Authority. These authorities have been established to serve the poor and needy especially the weaker sections. But unfortunately Sir, functioning of these authorities is far from satisfactory. The flats which were constructed according to the need are being demolished. First, they construct the houses without proper planning and later realising their mistake, they demolish them, after spending lot of money. Therefore necessary precautions have to be taken before undertaking building flats otherwise lot of money and energy will go waste. Preliminary studies have to be conducted thoroughly and after that only the blue print should be prepared to construct the houses. In addition to the wastage of money and materials it will also cause immense hardships to one and all. DDA is the best example of the worst type of planning that can be done for weaker sections and other poorer sections of the society and as a result the poor and needy suffer on account of planning by the urban development authorities everywhere.

Sir, I feel proud to mention the excellent record of the Telugu Desam Govt. in Andhra Pradesh in providing housing facilities to the poor and needy. 8 lakh 25 thousand pattas for house sites were issued and out of them 5 lakh 11 thousand houses has already been constructed in the past 4 years. It is an All India record and the hon. Minister had already accepted it on the floor of this House. The fine example set by Andhra Pradesh is worth emulation by every State. The scheme to provide shelter to every one is being implemented in Andhra Pradesh vigorously. The efforts of the officers and the required allocation of funds have contributed to the success of the scheme.

Sir, the Urban Ceiling Act of 1976 is a Central Act. It should be applicable uniformly throughout the country. But is not being implemented uniformly everywhere. In Tamilnadu it is being implemented perfectly. All the members have a share. Husband, wife or major or minor members

are entitled for shares. While in other States it is not so. Minors should also be considered while determining the ceiling. No. less, a person than former President Shri Neelam Sanjiva Reddy criticised the Act for not providing a share to the minors. In a family if there are minor sons and a son who is a major, then only the son who is a major will be considered while all the minors will be neglected. This is gross injustice. Hence the necessary amendments should be carried to plug these defects to make the Act much more effective. The construction work in vacant lands in urban areas should pick up them.

Sir, in the name of slum clearance schemes, many of the poor are being shifted to far off places. It is not a proper policy. The slum dwellers are the poorest of the poor in the country. They eke out their livelihood by carrying odd jobs. Most of them are the people who migrated from villages in search of livelihood. If such people are shifted to far off places, sometime to places, which are 20 to 50 Kms. away, their life would become miserable. Instead the Govt. should acquire the land where they live and construct multistoried buildings there. This way the Govt. can help the slumdwellers effectively. Hence instead of constructing a few single story buildings which can accommodate only a few, it is better if we construct multi storeyed buildings. More people can be accommodated in such multistoreyed buildings.

Sir, HUDCO is one of the premier agencies which is providing loans for the construction houses. But Hudco is functioning from Delhi only. Since this organisation has no branches in State capitals, people have to travel all the way to Delhi to avail the services of Hudco. It is a lengthy and a tiresome procedure to correspond with Hudco. Hence Hudco branches should be set up in all the capital cities and major towns in every State. By doing so, HUDCO will be able to fulfil its objective. Similarly the proposed bank should not be made operative only from Delhi. The Branches of this bank have to be established in all the State capitals and major cities. That way, the intention of this Bill would be fulfilled. It will serve its purpose only when it is within the reach of everyone

in the country. Hence once again I appeal to Govt to see that it does not become another Hudco functioning from Delhi. Sir, LIC has branches all over India. They take up several schemes from time to time and successfully implement them throughout the country through their branch offices scattered all over the country. Hence the branches of the proposed National Housing Bank should be established all over the country so that it can serve its intended purpose well and even the poor would be able to derive benefit through these banks. I hope the Govt would take note of it and implement my suggestion.

Sir, I thank you very much for giving me this opportunity to speak on this Bill and conclude my speech.

[English]

SHRI HUSSAIN DALWAI (Ratnagiri) : It is a happy coincidence that in the Year of Shelter, we are discussing here in this House a Bill for bringing in the National Housing Bank into operation.

The real impediment in the smooth progress of housing throughout our country is not only financial constraints, but the national policies on land also. Land reforms especially, have not been implemented, properly. Not only that ; it is the duty of the Government, whether at the State or Central level, to keep the increase in land value under control in which task they have fasted very miserably.

17.09 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

Unfortunately, I come from the State of Maharashtra where the Government itself had started the business of reclaiming and selling huge areas of land. It was the Government of Maharashtra which leased out plots of reclaimed land for huge amounts at rates running into thousands of rupees per square metre. It is because of this encouragement that in Bombay, land values have gone very high ; and for a common man to have his own house has

[*Shri Hussain Dalwai*]

become a very difficult task. You will be surprised to know that Class IV, and Class III employees, and even big officers of Government are staying in hutments. As a matter of fact, Planning Commission has now to intervene. Our thrust should be to that check the influx of rural population into urban areas.

I am proud to say that the Government of Maharashtra has succeeded in preventing the rural population of Maharashtra to come to Bombay. But the flow of rural population from other States is still coming to Bombay and it is disturbing the whole planning of the city. When Government of Maharashtra could succeed in implementing this scheme by implementing the employment guarantee scheme in all the rural areas and providing ready avenues for the rural population for their livelihood in their own areas why the same thing could not be done by other States? but that is not forthcoming; and if some drastic steps are not taken in time this influx of rural population coming to the cities will require huge quantity of tenements and that will not be possible for any government to solve this problem. If this problem of housing is to be solved, the other impediments which are there in way of this problem should be removed first and one of them is that the urban landlords are exploiting the tenants by demanding more rent from them and exploiting the acute shortage of residential accommodation. We brought a Rent Control Act in Bombay and this Act has certainly helped the tenants. But, ultimately, the biggest investment in housing which was earlier made by the land-lords and the rich business man, now they have stopped, investing their money in housing; that is why, ultimately, it is the Housing Board which then had to take up the construction activity in Bombay in a high way. That activity was also continued for some time and ultimately the Housing Board also could not cope up with the work; and as a matter of fact, it is a very pathetic story; that the Housing Board had constructed some buildings which were demolished within 10 years; and it was said that all this work which was done was of an in-

ferior quality. Now the problem which is before us is that how to solve the housing problem of our country which is to very high magnitude we must go in for low cost housing. So many industrialists, so many business people, traders, architects, builders, they have exploited the situation in the country. It is, therefore, the duty of the Government to make them all to come forward to help the Government to evolve such a formula with the cooperation and coordination of all concerned so that we can evolve low cost housing in all the States.

The other impediment which comes in the way is the Urban Land Ceiling Act. Many a time a question was raised in the House and every time the Urban Development Minister has assured us that this Act will be amended, but, so far nothing has been done; that also will come in the way of solving the problem of housing.

Today in Bombay the World Bank has extended loan to the tune of Rs. 200 crores for redressing the difficulties of slum dwellers. The government originally wanted to construct some cheap houses for the poor people, slum dwellers, but, unfortunately, they could not do so. Now, they are offering plots with certain amenities to them and they are asking slum dwellers to construct their own houses which was not possible for them to do within their limited financial resources. So, the real crux of the problem is that Rs. 100 crores of investment in the National Housing Bank will not be sufficient to meet the colossal problem which is facing the country for long. But all the same we have to welcome the Bill as we have to begin somewhere and we have to explore the local resources that are available in every State; by linking the national policy of housing with the national planning. The planning Commission should come forward with a proposal to check the influx of rural population to the urban areas.

As a matter of fact, very dangerous situation has been created on account of mass migration of rural population to urban areas.

The population of the city of Bombay has grown to the vicinity of one crore and by 2000 A.D. it might go still higher. The city is expanding on all sides except on one side where there is sea. And on the side of sea also, the Government did make some endeavour by selling some lands or plots and at a high cost, as I said earlier. This problem will not be solved. Because, ultimately, the country's future will depend on how far we are able to prevent the influx of rural population. We have to make resources available and we have give some sort of incentive to the rural population so that the rural population should remain stable in their own areas and should not migrate for earning its livelihood.

Another point which I want to highlight, is that through National Housing should also bank efforts be made to meet the requirements of rural housing. But as we have seen in the past, our housing boards and housing finance institutions like HUDCO have been more helping the cause of urban housing and their benefits have not reached to the poor rural population. Unless the Government assures this House that it will suitably amend the Urban Land Ceiling Act so as to give impetus to the Housing Programme and get the same implemented in every State. The poor man both in rural as well as in urban area cannot have his own house. The proposed bank should do the same in right earned. Even today, what we find is that in rural areas house sites are not easily available. We do not get land even in rural areas for the poor people to construct houses for them. We have get a Housing scheme for Scheduled Castes and Tribes but there also we find that only with great difficulty land is made available to them. These things are happening on account of faulty implementation of Land reforms in some states.

I welcome this Bill and I also welcome the Government's proposal which will certainly go a long way to solve the Housing problem of the country. The problem is very gigantic but the Government should also take up its implementation seriously. With these words. I support the Bill.

[Translation]

SHRI RAJ KUMAR RAI (Ghosi) : Mr. Deputy Speaker, Sir, I support the Government in this regard and would like to express my views but my name is not included in the list. Therefore, in view of the problem of my constituency I would like to request you to give me some time to speak.

[English]

MR. DEPUTY-SPEAKER : If time permits, I will call you.

SHRI RAJ KUMAR RAI : My constituency is also facing lot of problems. I request you to provide an opportunity to me.

MR. DEPUTY-SPEAKER : The hon. Minister is on his legs. He is making a statement. I will call you later.

17.15 hrs.

STATEMENT RE: DECISION OF GOVERNMENT TO PAY AN INSTALMENT OF DEARNESS ALLOWANCE TO CENTRAL GOVERNMENT EMPLOYEES

THE MINISTER OF FINANCE AND THE MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : I am very thankful to you for giving me permission to submit to the House an important information.

On the basis of the recommendations of the Fourth Pay Commission, as accepted by the Government for Groups 'A', 'B', 'C' and 'D' employees, the Dearness Allowance at revised rates has become due for consideration with effect from 1st July, 1987, on the basis of percentage increase in whole numbers in the twelve monthly average of the All India Consumer Price Index Numbers for Industrial Workers (General) Base 1960=100) for the period ending 30th June, 1987 over the index average of 608, the base figure to which the revised

[Sh. Narayan Datt Tiwari]

pay scales are pegged. The twelve monthly average CPI on 30-6-1987 is 687.5. Employees drawing basic pay upto Rs. 3500/- are to be allowed 100 per cent neutralisation and those drawing basic pay between Rs. 3501/- and Rs. 6000/- 75 per cent and those drawing basic pay above Rs. 6000/- 65 per cent and are therefore, entitled to the revised DA of 13 per cent, 9 per cent and 8 per cent of basic pay respectively with effect from 1-7-1987 as against 8 per cent, 6 per cent, and 5 per cent of basic pay respectively from 1-1-1987.

Government have decided to pay the instalment of Dearness Allowance due to Groups 'A', 'B', 'C' and 'D' employees from 1-7-1987 in cash. Orders in this behalf will be issued by the Ministry of Finance.

The additional annual cost of instalment of D.A. payable to all Central Government employees with effect from 1-7-1987 is estimated at Rs. 345 crores. The additional cost in the current financial year will be of the order of Rs. 230 crores.

In view of the tight situation because of the drought and floods in many parts of the country, I would like to make an earnest appeal to the employees to as far as possible, voluntarily deposit in their Provident Fund Account the instalment they receive.

17.20 hrs.

NATIONAL HOUSING BANK WILL—

CONTD.

[English]

MR. DEPUTY SPEAKER : Now, we go back to National Housing Bill. Shri Banatwalla.

SHRI G.M. BANATWALLA (Ponnani) : This is all right Sir.

Let them control the prices.

MR. DEPUTY SPEAKER : You can speak on the Bill.

SHRI G.M. BANATWALLA (Ponnani) : To speak on that statement ?

MR. DEPUTY-SPEAKER : We cannot have a discussion on that statement.

PROF. SAIFUDDIN SOZ (Baramulla) : Since Mr. Banatwalla is on his feet, I concede that he should speak. But it is my turn. Sometimes you say, it is partywise.

MR. DEPUTY-SPEAKER : There is a procedure. I will tell you the procedure. I want to inform you that the time allotted is eight minutes for the smaller groups. Always you take the share and others would not get it.

(Interruptions)

MR. DEPUTY-SPEAKER : You are speaking on some other Bills.

(Interruptions)

SHRI RAJ KUMAR RAI (Ghò) : What is the criterion for us ?

The Parliamentary Affairs Minister will not give our names, but you have to consider our names.

MR. DEPUTY-SPEAKER : We will see. Please take your seat.

SHRI RAJ KUMAR RAI : When Sir ? Tomorrow or day after tomorrow.

(Interruptions).

PROF. SAIFUDDIN SOZ (Baramulla) : You assure him.

MR. DEPUTY SPEAKER : I cannot assure him. If time permits, I will consider and that also I have to take into consideration.

(Interruptions)

SHRI RAJ KUMAR RAI : Should I always be under suspense ? Can't

you assure that you will permit me a few minutes to put forth my ideas ?

MR. DEPUTY-SPEAKER : Mr. Banatwalla is on his leg. Please order.

(Interruptions)

SHRI MANVENDRA SINGH (Mathura) : I have given my name earlier. How is that you are allowing others before me ?

MR. DEPUTY-SPEAKER : The other names are before you. in the list.

SHRI RAJ KUMAR RAI We are always in the end, Sir. Sometimes we won't get a chance...

(Interruptions)

MR. DEPUTY-SPEAKER : Mr. Banatwalla, you carry on.

HU SHRI RAJ KUMAR RAI How is
of possible for us to be accommo-
not ed in the House, Sir ? You have to
Un safeguard our interest.

MR. DEPUTY-SPEAKER : Definitely I will safeguard all the Members' interests. You do not worry. Please take your seat.

(Interruptions)

MR. DEPUTY-SPEAKER : Mr. Banatwalla, please continue.

SHRI G.M. BANATWALLA : Mr. Deputy Speaker Sir, we are in the International Year of Shelter for the Homeless. It is therefore in the fitness of things that the Government has come forward with this National Housing Bank Bill. I rise to support the Bill, but I feel more thought ought to have gone in the formulation of the various provisions.

Indeed the housing problem has gone from bad to worse. Several speakers have already spoken about the magnitude of the problem. So, I would not go into that. The need for the housing finance is also very great. I may only add that over ten million

people in our country have purchased or constructed flats and houses with the help of loans; that shows the great demand. We are face to face with a Herculean task. Now here, we are told that this Bill will have a seed capital of Rs. one hundred crores and then there is Clause IV, which limits the maximum capital also to Rupees five hundred crores. I fail to understand the rationale behind this limit for the maximum capital. What calculations have been made ? Is it the contention of the Government that to meet the housing finance question, the maximum amount of Rupees five hundred crores will be sufficient ? A demand has already been made here in the House. I support the demand that there must be a substantial increase in the very initial seed capital, and I must add to the demand the need to remove this limit that has been put on the maximum capital, that is inserted in the proviso to Clause IV of this Bill.

However, the Government is more appreciative today of the need of alleviating housing shortage. For that I must congratulate the Government and wish its success.

There is a need for comprehensive housing policy. That policy has to be debated in this House first and then adopted.

SHRI RAJ KUMAR RAI : Sir, there is no quorum in the House.

MR. DEPUTY-SPEAKER : Let the quorum bell be rung.

Now quorum is there. Mr. Banatwalla may continue.

SHRI G.M. BANATWALLA : Mr. Deputy Speaker, Sir, a point that I just made was that no limit ought to have been placed on the maximum capital for such an important agency.

Secondly, Sir, I was submitting that we have still to adopt a clear-cut comprehensive housing policy and without having adopted any such housing policy we are not now considering the provisions of a National Housing Bank Bill. This I submit, is placing the cart before the horse. It is necessary that the Bank must have clear-cut

[*Shri G.M. Banatwalla*]

guidelines with respect to our housing policy and therefore, at least now I must emphasise that the Housing policy should be formulated and adopted by the House at the earliest possible occasion.

Sir, this is specially important in view of the provisions of clause 22 of the Bill. Clause 22 provides that the validity of loan granted by the National Housing Bank shall not be called into question on account of non-compliance with any other housing laws. So, here we have a National Bank without any clear-cut housing policy and a National Housing Bank who is all powerful to ignore all housing laws also. Therefore, I must emphasise the need for a comprehensive housing policy to be formulated at the earliest opportunity.

Sir, this National Housing Bank has to be established as a promotional agency to promote and encourage housing finance agencies. These housing finance agencies may be public agencies or the private agencies. Not to speak about the private agencies, we even know the record of the public agencies in catering to the needs of the common man, in catering to the needs of weaker sections and in catering to the needs of the middle income and lower middle income groups. For example, here in Delhi we have the DDA. And what is its record? People registered with D.D.A. in 1975 are still waiting for their match-box structures and are being asked to wait for 10 more years while the cost escalates. This is the general position. Therefore, it is necessary that somewhere or the other in the law a greater priority should be given to the housing problems of the weaker sections, the housing problems of the middle-class and the lower middle class, the housing problems of the fishermen. In my constituency there in Kerala there are so many fishermen and one is shocked when one looks at the conditions in which they live. I must, therefore, stress upon the need to see that this National Housing Bank has legal compulsions to give first priority to these sections of our society.

Sir, we have also to consider the present

legal and financial framework. Mere creation institutions will not help. You have passed the Urban Ceiling Act also. But the question of its implementation remained. So, mere legal framework does not do. We have to see what changes are necessary that will facilitate the dealing with this colossal problem of housing. The legal hurdles, for example, in the creation and enforcement of mortgages will have to be removed.

Sir, I must also emphasise that there is need for a change in the priorities governing investment in favour of housing. Housing is not being given that priority by the Government which is necessary, priority in matters of investment which is necessary to deal with this Herculean task. We have also to consider the cost of construction. We have been told that there are two drafts in circulation, one for the foreign consumption and another for the domestic consumption. I am sure the Minister will clarify the draft policy that we have. But whatever draft we have, it does speak about low-cost building. It does speak about the encouragement of low-cost building. But then, we have so many inconsistencies which have also to be taken into account. While we do talk about low-cost building, there is also a reference to encouragement for partially pre-fab. building material. There is also a reference to encouragement for building materials using latest technologies. I am afraid that this will simply go to escalate the cost. Then, we have also, in this connection, clause 16 of the Bill which gives power to borrow foreign currency. I can understand borrowing from abroad in order to finance the housing. But this is a rather strange type of clause. Clause 16 says that the National Housing Bank can borrow foreign currency from any bank in India. If the purpose would be resource mobilisation from NIRs, of course, I fully support that. But I am sure, this is for the purpose of your financing the import of latest technologies. I am, here to strike a note of caution that this foreign technology must be suitable to our conditions. Indigenous technology should be used. Our climatic conditions have to be taken into consideration rather than rushing for high costs and also for the drain of our foreign exchange resources.

There is also the questions of cost of finance, i.e. interest. Interest on housing loans is also to be allowed to set off against the other incomes of the assessee. Greater and greater encouragement should be given and more attention should be paid to giving greater and greater set off on account of interests on the housing loans.

We have also the question of slums. Nowhere in the Bill there is any concern shown for an urgency for the improvement of slums. Of course, everything comes under the general functions. But then, it is left to the sweet will of the National Housing Bank to finance which scheme they want. In case of financing also, not only have you to finance the various other housing financial institutions but also you have to look to the needs of the common men, the cooperatives who require loans. Loans to them should also be brought within the purview of the National Housing Bank. Then, priority must be given and legally it should be provided. Otherwise, the purpose of improvement of slums would be defeated. Housing is not more structures not providing just shelters. Even the pre-historic man could find shelters in caves and could find rock shelter. That is not the point.

What are the essential components of decent housing? We find that that the essential components of decent housing are proper sanitation, proper sewage disposal system, supply of drinking water, availability of open spaces nearby and so on. These are matters which have to be looked and into.

I was shocked to read a report on the occasion of the International Year of shelter for Homeless which revealed :

“In the past 24 hours, more than 50,000 people have died from malnutritions and disease, much of which is linked to inadequate shelter, water and sanitation, most of them children.”

Such is, therefore, the magnitude of the problem and we have nearly 30 million people living in slums in our town and cities. 32% of people in Bombay live in

slums. When such is the condition, then there ought to be shown urgency with respect to this problem. Neither do we have a clear-cut housing policy, nor do the provisions of this National Housing Bill show the urgency with respect to these various sectors.

I may refer to Clauses 25 and 26 i.e., power to collect credit information. Yes, you will require credit information. But then the National Housing Bank can call for any credit information from any housing finance institution irrespective also the secrecy of dealings with its and constituents. A very draconian provision, I must say, and then all this secrecy of information and everything can also be published under Clause 26. Of course, that is not the concern that I am making here. If these powers are to be taken, they must be taken and exercised with judicious and great care. They must take great care of their publications and so on.

I can very well understand the great fraud that is going on in the field of housing finance. But here you want to know the credit-worthiness of the borrowers and then you are also taking the power to publish all the information under Clause 26. Proper and due safeguards are necessary in this case and Clauses 25 and 26 therefore need a proper look.

Indeed, the problem of housing is going from bad to worse. We have colossal demand in the urban areas and in the rural areas. I wish the Government success in dealing with this Herculean task. But let there be no feeling of complacency that merely passing of the Bill will lead to any solution of the problems unless and until we take up the question of planning as a whole and unless and until we also take up the question of due changes in the legal and the financial framework that is necessary and unless and until we give in matters of investment due priority to financing of houses.

✓ SHRIMATI BASAVARAJESWARI (Bellary) : Mr. Deputy Speaker, Sir, at the outset I would like to support this Bill. This year is the International Year of

[*Shrimati Basavarajeshwari*]

Shelter. This is the dream of Mrs. Indira Gandhi. Our hon. Prime Minister Shri Rajiv Gandhi has made a statement during the previous Budget Session that he is going to start a new Bank for the construction of houses and today we are discussing about that Bill. We have started a Bank for the industrial development of our country. That is called as the Industrial Development Bank of India. We have got a Bank for the Agricultural Development which is called as the NABARD. In that way, now we are going to start a new Bank for the construction of houses.

Sir, there was a day when people used to say that fools build houses and wisemen live in. That means to say to build an house is a non-productive venture. Now, it has slowly reduced and the building of houses has become a business-like venture. So, it has to be treated like an industry. People are getting abnormal rents after building their houses and their face value is increasing day-by-day. Therefore, knowing the magnitude of the problem, this Bill provides for the finance for the construction of the houses.

Very recently, a Conference has been held at Srinagar consisting of the various Ministers of the State Governments. They did discuss the details about the magnitude of this problem. They are of the opinion that by the year 2000 AD they are going to provide shelter for each family. According to the survey, about 330 million houses are required to fulfil this target. But another survey says that to fulfil this target, it is very necessary that we should be requiring 105 million houses. So, this is the problem of the day. The common-man would like to have food to eat, a job to work and a shelter to live in. Out of these, we have been providing good food to eat inspite of the severe drought conditions in various parts of the country. People have been provided with food in the remotest corners of the country. We could do this because our farmers have provided surplus food in this country and today we have to congratulate them.

Regarding drinking water, we have achieved 90 per cent of our target. Many villages have been provided with good quality water and there are only a few problem villages, where we are not in a position to cover. Till then, the water is being transported to these villages. Then, job to work is also a most important problem. We are at it. The Government have drawn up so many policies to achieve this. Yet, we have to do so much to solve the unemployment problem. The last one will be the shelter. This is very very important and now we are thinking of providing shelter to the needy persons. I have gone through this Bill.

Regarding the constitution of the Board, many hon. members are of the opinion that the composition of 13 members will be too much. But, in my opinion, I would like to say that it should not be mere 13 but it should be 15. Here, the public representatives are not being appointed in the Board. We are trying to tackle the problems of the downtrodden and the weaker sections of the society to a major extent. So, we would like to have one or two representatives from the public. It has been said here that the Chairman and the Managing Director are from the Reserve Bank. Here, I would like to emphasise that the Chairman should be an honorary man and he should be from the public and of course the Managing Director who is the Executive of the Board should be from the Reserve Bank. They have also stated that there should be an Executive Committee. Here, I would like to suggest that there should be one or two Sub-Committees, namely, Planning Committees, namely, Planning Committee, Construction Committee and Business Advisory Committee. These three Sub-Committee should be constituted within the Board Members and whatever reports are submitted by the Sub-Committees, it will go before the Board and the Board's decision should be final.

Sir, I would like to say a few words about how we should channelise these amounts to the remotest corners. All the State Governments and the nationalised banks should be made to involve in such programmes. From each State, one nationalised bank should adopt this scheme and

through them it should go to the district level and then to the remote corners. Then only, it will be possible to see that the needy person gets sufficient amount and in a reasonable manner. Otherwise, only vested interests who are influential, who are in the urban areas, who can influence the banks and take the loans, will take the major portion and the weaker sections will be left out as they are today. In this way, I would like to have the constitution of the Board.

I would like to give a few suggestions about how this priority should be fixed at the time of implementation. As has been stated by various Members, the priority should be given for the weaker sections. More and more money should be channelised to these persons. They have provided in this Bill Rs. 100 crores which is not sufficient. We should have, at least, to start with, Rs. 500 crores which has been already stated by various Members.

Another thing is that the rural. People are migrating towards towns. In many towns, slums are very much created. They are living in an environmental pollution and the air pollution and the air pollution. It is very much inconvenient to see such localities. There are number of notified areas where these slum dwellers are having land rights of their own. Sometimes these people are very much affected, because the officers at the district level shift them without giving them notice, without finding alternative sites or accommodation. They have been thrown mercilessly by the police and other people. This way, the treatment is given to the poorer sections of the society. While giving loans, priority should be given for such slum dwellers who are staying in the urban areas. They will be called as urban poor. There is a lot difference between urban poor and the rural poor. Rural poor are mostly agricultural labourer. They do not have shelter, they still live in huts. Many times, due to excess heat, due to small fire accidents, the entire colony is burnt into ashes. Thus, these labourers lose their grains, cloths and so many things. Hon. Minister has already given a line of thinking for such persons that these persons will be

given money to provide permanent houses at subsidised rates. Here, I would like to say a few words because if you give money, I do not think, that will reach this class. That can be misused at various levels. Instead of giving money for such purposes, it is better to have a self-housing scheme and the Department will construct houses and then it will be handed over. We can give subsidy in the form of sites or in the form of money whichever is convenient and while recovering such money, there should be a stop gap of not less than five years. Recovery should start by giving holiday for five years because while building the house, they might have borrowed the loans and to repay it they will be requiring some time.

Another thing is soft loans should be provided at lower interest rates. As far as possible, loans should be provided at lower interest rates which will be repayable in instalments of twenty to thirty year's period. Otherwise, it is very difficult to repay the instalments.

Another thing that I would like to say is that there should be uniform laws in this field. I find here that each State is enacting its own laws. I think that it is not going to help us. There should be uniform laws throughout the country, so that they can effectively monitor all the aspects.

There is a lot of delay while sanctioning the loan. As far as possible this kind of delay should be checked. Loan should be sanctioned in a time-bound manner otherwise there will be a lot of escalation and the poor people would be put to difficulties in building their houses.

Foreign companies should be encouraged when they come with construction of self-housing scheme or colonies. These companies should be encouraged, so that we can have pucca houses, as many as possible.

Finally, I would urge that the National Policy of Housing should be framed and the needy persons should be asked to give their problems. Till now we have not discussed their inconveniences and problems. This should be discussed at length.

[Shrimati Basavarajeswari]

I once again thank the Hon. Minister for having brought this Bill before this House which would certainly relieve the nation of the housing problem. With these words, I conclude.

MR. DEPUTY SPEAKER : The House stands adjourned to meet at 11 a.m. tomorrow.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, November 20, 1987 | Kartika 29, 1909 (Saka)