

HOTEL CONSTRUCTION BY AMERICAN FIRMS

†*44. { SHRI A. M. TARIQ:
SHRI P. ABRAHAM:

Will the Minister of TRANSPORT be pleased to state:

(a) the progress so far made in the building of hotels in public sector by American Firms; and

(b) by when the hotels will be built and how many will be built and on what conditions the American Firms have offered to build hotels in the public sector?

THE MINISTER OF TRANSPORT (SHRI RAJ BAHADUR): (a) and (b) The proposals received from foreign hotel companies for collaboration in the hotel industry are still under consideration and no decision has been taken so far in this matter.

SHRI A. M. TARIQ: May I know if the Government is aware of the fact that some private parties in the country, especially in Bombay, are negotiating with the Hilton people for building Hotels in Bombay, Calcutta and Madras and, if so; what is the reaction of the Government to such negotiations?

SHRI RAJ BAHADUR: Sir, we welcome foreign collaboration in the hotel industry because it enables the local hotelier firstly to acquire some sort of collaboration in the matter of inviting and attracting tourists. Secondly, we get some sort of standards which set the pace for improvement in the hotel industry. I am aware that certain private parties are busy negotiating with foreign hoteliers like the Hiltons and Sherretons and Inter-Continental Hotels for this purpose.

†The question was actually asked on the floor of the House by Shri A. M. Tariq.

SHRI A. M. TARIQ: May I know if the Government have received a copy of the Resolution passed by the All-India Hotel and Restaurant Convention in which they have said that foreign collaboration as recommended by the Jha Committee may be considered provided the overall control and management is retained in Indian hands? Under no circumstances hotels built with Indian money should be given to the foreign operators to manage. That is what they have said. May I know what is the reaction of the Government to that Resolution?

SHRI RAJ BAHADUR: Sir, we have got a deficiency of as many as 5,500 rooms to be built at the latest by the year 1968. That requires a capital expenditure of Rs. 25 crores. If we lay down any rigid conditions, we shall not be able to provide the necessary climate and atmosphere for inviting foreign capital or collaboration. So each case will have to be decided on its own merits. We shall have to keep room for discussions and negotiations.

SHRI A. M. TARIQ: Is the Government aware of the fact that today the Indian-managed hotels, for instance, the Ashoka Hotel is charging Rs. 55 per room, lodging and boarding? With this foreign collaboration the rate of lodging and boarding will go high up to Rs. 120. If so, how will it attract foreign tourists and will it not create difficulties for the local people?

SHRI RAJ BAHADUR: The question is based on certain suppositions. It is not correct to say that the prices will go up in every case. It depends upon the facilities and amenities provided in a particular hotel and also it depends on the class of tourists a hotel is supposed to cater for.

SHRI P. N. SAPRU: Is it not possible for us to retain the ownership of the hotels in our hands and employ qualified foreigners for managing the hotels?

SHRI RAJ BAHADUR: Certainly, Sir, the idea is to have the ownership of the hotels in Indian hands but in the matter of collaboration foreigners may like to participate in the equity capital but may not have a controlling share.

SHRI BHUPESH GUPTA: May I know how the Government came to the conclusion that the hotel industry could not be expanded in the country entirely under the aegis of the Government or private Indian nationals? Why are the foreigners allowed equity interests even in the hotel industry today? Is it the hon. Minister's contention that unless we make concessions on this point, we are not going to get tourists in the country?

SHRI RAJ BAHADUR: I should say that all leading tourist countries are really striving to get collaboration from established hotel concerns in America and Europe for building hotels in their respective countries, and that is one of the accepted means and modes of the development of tourist facilities.

SHRI BHUPESH GUPTA: With whose collaborations?

SHRI RAJ BAHADUR: Egypt, Japan and other countries. I think there is a chain of hoteliers all over the world having collaboration of foreign hoteliers. It is not that we are going to lose our control over the hotels in this particular respect. It is a question of established hoteliers' chains being associated with hotel industry in the country by collaboration.

SHRI A. D. MANI: Sir, the Minister stated that the Government did not want to adopt a rigid attitude. Whatever be the attitude of the Government, may I ask the Minister whether foreign hoteliers have, in their talks with the Government, made it a condition that the control should be in their hands and if the control is not in their hands, they will not be interested in starting hotels here?

SHRI RAJ BAHADUR: Sir, in fact the boot is on the other leg. They are not anxious to bring capital. They are only prepared for collaboration in management on mutually advantageous terms. They are prepared to associate themselves with our hoteliers so that proper standards suiting foreign tourists are laid down. They are not at all keen to come forward with equity participation. In fact we would like them to do so.

SHRI ARJUN ARORA: May I know if offers for collaboration have been received from America alone or from any other country, and also whether the Government is giving this concession only to American capital or to foreign capital as such?

SHRI RAJ BAHADUR: Offers have been received from certain American hoteliers. We make no distinction, however, between American hoteliers and European hoteliers. If any European hoteliers come forward, they would be equally acceptable, if they are otherwise found to be suitable.

SHRI P. K. KUMARAN: May I know what necessitated this foreign collaboration in the hotel industry? Is it the contention of the Government that we Indians do not know even cooking? Foreign collaboration in the case of certain other industries we can understand but where is the necessity for foreign collaboration in our hotel industry?

SHRI RAJ BAHADUR: May I tell my hon. friend, Sir, that running a hotel is a specialised art? It is in fact a sort of science in which people are trained specially. It is a very specialised business.

SHRI C. D. PANDE: May I know whether it has come to the notice of the Government that the terms of collaboration that are being discussed or offered to private parties in Bombay, Madras and Calcutta are far superior to, and better than, those offered by the Hiltons to the Government?

SHRI RAJ BAHADUR: Sir, I have not yet been able to compare the terms that are offered. In fact all this is in a preliminary stage of negotiation—in an embryonic stage. I cannot say what terms have been offered.

SHRI G. RAMACHANDRAN: Sir, is there anything that the Americans can teach the South Indian Brahmins in the running of hotels?

SHRI RAJ BAHADUR: Catering in non-vegetarian food.

SHRI FARIDUL HAQ ANSARI: Is it the policy of the Government to give satisfaction and comfort to the tourists or only to give the hotels to the Indian hands to spoil the whole thing?

SHRI RAJ BAHADUR: Sir, the policy is to provide some sort of association with foreign established hoteliers with a view to providing better standards and facilities. Now, our Indian people cannot do that but hoteliers like the Hilton, the Sherretons, etc., can enable us to attract tourist traffic which otherwise would not come. The idea is to set up higher standards for which all these things are very necessary.

SUGAR SHORTAGE IN DELHI

*45. SHRI FARIDUL HAQ ANSARI: Will the Minister of FOOD AND AGRICULTURE be pleased to state whether there was acute shortage of sugar in Delhi during the first two weeks of May, 1964?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND AGRICULTURE (SHRI A. M. THOMAS): No, Sir.

SHRI FARIDUL HAQ ANSARI: May I know whether the hon. Minister's attention has been drawn to several letters that have appeared in the Delhi dailies like "The Times of India", "The Statesman" and also the write-ups complaining of acute shortage of sugar even now? Several allegations have

been made that the dealers make wrong entries in the ledgers and sell sugar in the blackmarket.

SHRI A. M. THOMAS: This question refers to the first week of May and my answer has been in the negative but I admit that there has been shortage in the second fortnight of May which has been due primarily to the increased demand because of the summer season for cold drinks and other things. There has been another reason also. The ex-factory price of sugar has been raised. The source of supply of sugar for Delhi is Meerut where we have increased the ex-factory price from Rs. 116.50 to Rs. 131, an increase of Rs. 14.50 per quintal. Because of this revision the retailers held back stocks, some stock went underground. There has been holding of stocks and there has been scarcity felt by the consumers because of these circumstances.

شہری پیادہ لال کرپل ددطالبہ :

میں نے پچھلے مہینہ کی ۲۶ تاریخ کو اس سبب سے کہ میں ایک موٹر دیا تھا۔ اس کی اسکریننگی ہی نہیں ہے بلکہ دلی کی تمام دوکانوں سے شوگر بالکل غائب ہوگئی ہے۔ چینی بالکل غائب ہوگئی ہے۔ میں ۲۶ تاریخ سے کوٹھس کر رہا ہوں کہ مجھے چینی ملے لیکن نہیں ملی ہے۔ ناؤتہ اوپلو کے قبیل کے پاس میں کھا لیکن وہاں چینی نہیں تھی۔ یہاں کوآپریمو اسٹور کے پاس آدمی بھیجا وہاں بھی نہیں ملی۔ سینٹرل ایسٹن کوآپریمو اسٹور کے پاس بھی چینی نہیں ملی۔ یہ اسکریننگی نہیں ہے بلکہ دہلی سے چینی بالکل غائب ہو گئی ہے۔ اس