

Urban Land Ceiling and Housing for Poor

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staple fibre is to contribute 1.20 lakh tonnes. These projections may well prove an underestimate if cotton production does not increase to 92 lakh bales in 1984-85 and the overall target for cloth production is to be achieved. While the viscose staple fibre industry is required to play an important role in meeting the textile industry's fibre needs, it is suffering from gross under-utilisation of installed capacity — operating at 40 to 60 per cent of its capacity — and one of the two units, namely, South India Viscose, is closed since long. As against the installed capacity of 1.05 lakh tonnes, indigenous production in 1982-83 totalled only 45,606 tonnes, while imports aggregated 52,407 tonnes valued at Rs 74.79 crore. The industry's present plight has nothing to do with overall demand for viscose staple fibre which is evident from the regular imports of the fibre in substantial quantities.

Apparently, the imported fibre is cheaper than the domestic material. Is it that the domestic manufacturer — with the closure of the South India Viscose plant, Gwalior Rayon is the sole supplier of viscose staple fibre — is not efficient enough to compete with foreign suppliers and has been therefore obliged to curtail production?

The curious fact is that Gwalior Rayon's viscose fibre joint venture in South-East Asia is successfully competing with traditional manufacturers in developed countries. The more probable explanation is that indigenous fibre is being exposed to unfair competition from abroad. Manufacturers in the recession-hit countries have been marketing their product without serious consideration for the price. They are big giants and want to maintain their market at any cost. Besides, the cost of inputs for manufacture of viscose in India is substantially higher than in the traditional fibre exporting countries. The difficulties of the Indian industry have been compounded by the distortions in the cost-price relationship caused by fiscal levies.

It is ironical that the country should be wasting foreign exchange on imports of viscose staple fibre when domestic production capacity is not adequately utilised. It is high time New Delhi had a hard look at the domestic industry's difficulties and evolved measures, including suitable adjustments in excise and import duties, to enable the industry its legitimate role in meeting the clothing requirements of the common people by making available the fibre at reasonable prices. If the government thinks that Gwalior Rayon is exploiting

its monopoly position it should fix viscose staple fibres on a cost plus basis. But there can be no justification for allowing imports of viscose staple fibre which, apart from involving foreign exchange expenditure, are hurt-

ing the indigenous industry through unfair competition. Viscose fibre alone has the potential of becoming a supplementary fibre to cotton. Delay in exploiting this potential will cost the country dearly.

LETTERS TO EDITOR

Urban Land Ceiling and Housing for Poor

I SHOULD like to make a few observations on "Bending Urban Land Ceiling" by a Special Correspondent (April 16-23).

(i) The "seemingly effective coalition" is effective in that it has a legal case for mandamus on applications made under Section 21 of the Urban Land (Ceiling and Regulation) Act. But it certainly does not have any competence to make the package deal offer described and discussed at length in the article. None of the major builders have participated in these talks. Nor are any of the large landowners — such as the Godrejs, the Byramjee Jeejeebhoy family, N D Sawant, F E Dinshaw's heirs C B Sharma, the Todiwalla family, Surji Vallabhdas, N L Mehta, the Wadias — in any way involved in the bargaining process. There is no reason to believe that they would be enthusiastic with these petitioners' proposal to take the land for the "affordable shelter" project only from the 21 largest landowners. A scheme which leaves them out would be irrelevant, and they are certain to challenge any scheme the moment it involves them. The Act itself provides for no such bargaining of "varying percentages of land to be acquired by government and retained by landowners". Each individual case must be taken on its own merits.

(ii) The state government cannot "lay down a housing scheme for the balance [of land]" under Section 20. The Act itself has not provided for any such arrangement. The Gujarat government tried to introduce housing schemes through this section; it was stayed by the High Court. The Advocate General of Gujarat has pointed this out in the Opinion he wrote for Maharashtra.

(iii) The petitioners' have offered that "a quarter of these tenements — 1.10 lakh — will be handed over to the government or its nominees". This is contemplated under the state

government's rules for the competent authority, Urban Land Ceiling. But the choice of such government nominees cannot, in law, be permitted to be an unfettered exercise of discretion. Yet these flats have been distributed on an entirely discretionary basis to politicians, journalists and other favourites. Given that this provision does not exist in the Government of India's guidelines, and given the record of its misuse, were anyone to challenge this rule any Court could strike it down as arbitrary.

(iv) According to the article a "housing official" says "it would be more realistic to release some 200 hectares at a time" instead of dealing with all the applications together. But there is a good reason for this one-time decision. The Competent Authority cannot deal with landowners' petitions as and when he pleases. It is indisputably discriminatory and violative of Article 14 of the Constitution of India to dispose of one application in 1978 and another in 1990 when both land owners filed at the same time. They are both entitled to wait no longer than for the normal administrative clearance; any tinkering such as is proposed would evoke legal action. No way exists therefore to use this Act to control the flow of urban land onto the market, or the price of shelter.

(v) Your correspondent states that "legal opinion is that... the state government can, in fact, if it wishes, include sites and services projects" as part of the package. Serviced sites schemes for "growing houses" can be permitted in the definition of weaker section housing, but no one wants to do them: the profits are too low. And it is too late to make serviced sites mandatory as weaker section housing. Any state government's scheme can only be within the limits of the Union government's guidelines; the deadline for revising those guidelines expired in March 1980.

(vi) This Act will not permit the acquisition of large areas for housing in Bombay. For each time the government refuses to grant an exemption, natural justice would demand that it should give a good reason. There must be a specific purpose; vague claims of 'public interest' will not suffice. And the only specific purpose today is the 160 hectares of private land earmarked for the World Bank sites and services project.

I should also like to make two corrections in my own article "Land and Housing for Poor in Bombay" (EPW, August 29, 1981). The figures given in paragraph 3, col 2, p 1411, relate not to the Urban Land Act but to total land acquisition. And in paragraph 2, col 1, p 1412, "17 hectares have been exempted" should read "are being processed".

KANNAN SRINIVASAN

Bombay

The Doing and Undoing of a Hack Columnist

WHEN two distinguished scholars are having a whacking good time hacking away at each other a hack columnist, prudence suggests, should run for cover. But since the Sen-Sau hassle has, at least in part, something to do with the mode and manners of quoting from other people's tracts, and Amartya Sen ("On Sau's Revisit", April 2) has kindly chosen to quote from the Calcutta Diary of March 5 and add a comment, here goes.

This is Sen verbatim :

AM asks : 'Given the gross inequalities in the distribution of assets and incomes in the Indian case, is it at all realistic to point an era of high aggregate rates of growth?' The short answer to the question surely is 'yes'! There are plenty of countries which have at least as much inequality in the distribution of assets and incomes as India and which have nevertheless been growing fast over a long period — very much faster than India (e.g. Brazil, Mexico, Philippines, Turkey).

Short or long, Sen is not advancing the frontiers of knowledge. If only he had enlarged his reading, he would have stumbled into the following two sentences immediately preceding the one he quotes from the Calcutta Diary of March 5 : "Not that cases do not abound of countries featured by a comfortable rate of economic growth still being hemmed in by acute distributional inequalities. But is not the Indian problem somewhat of a different

— almost a reverse — order?"

Whether it is Brazil, Mexico, Turkey or Philippines, resources brought in by the US Department of Defence and/or multinational companies could accelerate the rate of economic growth in these countries notwithstanding the internal constraint set by distributional inequalities. In view of the population factor, a similar triggering off of growth in India would call for such a huge injection of external resources that neither the American defence establishment nor the multinational companies are even going to try. And, apart from in Sen's imagination, there has in fact been no acceleration at all in the Indian rate of growth in the past three decades. It is a different matter altogether if Sen is to claim that acceleration means 'not slowing down': this is precisely what he seems to have done in his latest reposit.

A M

Calcutta

Labyrinth of Chauvinism

HIREN GOHAIN ('The Labyrinth of Chauvinism', April 16-23) has asked

the left to move for "a greater accommodation to the genuine national anxieties and aspirations" of the Assamese. He has been, of late, writing in a similar vein elsewhere. But there is a gap in his position which makes it a trifle ambiguous. Surely, such an "accommodation" would require the formulation of a set of demands which, if fulfilled, would satisfy the "genuine national anxieties and aspirations" he speaks of? Some of us who do not consider him a "maverick leftist not bright enough to see the true light" and have had a high regard for him as a democrat would like to know what he feels those demands ought to be. Otherwise, one is at a loss to figure out where chauvinism ends and Gohain begins in concrete terms. Gohain quite rightly differentiates himself from the Assamese chauvinists and there is no question at all of mistaking him for a chauvinist. It is therefore all the more necessary for him to provide concrete policies which differentiate his position from those of others who make such anxieties and aspirations the base for chauvinist and communalist violence.

Gauhati

B C SHARMA

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Director