CHAPTER III

TOURISM IN INDIA – A HISTORICAL PERSPECTIVE

Tourism thrives on the history of a country. It cannot be isolated from history especially in a country like India whose cultural heritage has a wealth of attractions. Besides its cultural heritage, India is noted for its natural surroundings, the architectural masterpieces, paintings, music, dance, customs, mountains, valleys, beaches and rivers. All these go to make India a tourist paradise.

Though India had attained very great reputation as a tourist centre during the days of the early Maharajas of various dynasties, planned efforts were to systematize the process of growth of the tourism industry were made only by the English men towards the close of their reign. They made organised efforts towards the promotion of tourism in 1945. To start with they set up a high power Committee under the Chairmanship of Sir John Sargent, the then Educational Advisor to the
Government of India, to study the problems of tourist traffic in the country.¹

The Sargent Committee and its Recommendation

The Committee observed that the question of promoting and developing tourist traffic was a matter of great national importance and therefore, it deserved the attention of an organization which should take initiative in such matters as:

i) Publicity, both in India and abroad.

ii) Production of suitable literature such as guides books, folders, posters and the like.

iii) Provision for training of guides.

iv) Liaison with the travel agencies which would necessarily remain responsible for the detailed arrangements of tourists.

v) Liaison with hotels and catering establishments.

vi) Collection of tourist statistics.

vii) Co-ordination with air and train services with a view to facilitate both air and train journey and to make it comfortable in India.

viii) Provision of a chain of first-class hotels of international standard for the convenience and comfort of foreign tourists.

ix) Starting of publicity bureaus in London and New York and in the capitals of other countries from where substantial number of tourists might be forthcoming. The recommendations of the committee had far reaching effects on tourism during the subsequent years. They formed the guidelines for the establishment of tourist organization in the country soon after independence. On the eve of independence, India had a fairly large infrastructure, available for tourism. There was a large network of all types of hotels catering to the needs of both foreigners as well as Indians. There was adequate transport and communication systems operating in the country. Almost all the major tourist centres were easily accessible by rail or by road, or even by air. The country's many airports were in a position to receive international carriers. However, in the absence of a central tourist organisation there was no coordination between the various services. Tourism in India developed properly only after a central tourist organisation was set up as a result of the recommendation of the Sargent Committee. It was only after the creation of a separate Tourist Traffic Branch in the year
1949 that sufficient attention was paid to the development of tourist traffic in India.

As a follow up to the Sargent Committee an ad-hoc Tourist Traffic Committee was appointed in the year 1948. This committee was entrusted with the job of suggesting ways and means of promoting tourist traffic in India. A separate Tourist Traffic Branch was set up in the Ministry of Transport in the year 1949 with the main objective of development of tourist traffic in India. With the increase in its activities the Tourist Traffic Division expanded considerably and during the year 1955-56, its Headquarters, could established and assign each one of the wide ranging duties and responsibilities. The sections these four branches were called upon to take up were, i) Tourist Traffic Section ii) Tourist Administration Section iii) Tourist Publicity Section and iv) Distribution Section.

1. Tourist Traffic Section

Tourist Traffic Section is the main section of the division. It looked after a large number of subjects related to travel and trade which included the development of both internal and external tourist traffic, legislative matters, five year plans, travel agencies hotels and rest houses

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facilitation, tourist statistics and monthly reports. It also dealt with the international conferences on tourism and references relating to UNO and its agencies, co-ordination with the railways, establishment of tourist bureau in states and development of tourist centres and the training of guides.

2. Tourist Administration Section

Tourist Administration Section is an equally important section and was to deal with the administrative work related to tourist offices in India and abroad. It also dealt with the budget, and delegation of financial powers to tourist offices. Further, it was vested with the responsibility of bringing out proposals regarding the opening of new tourist offices in India and abroad. It also did periodical inspection of tourist offices.

3. The Tourist Publicity Section

The Tourist Publicity Section was started with a view to deal with the publication of the tourist literature such as pamphlets, brochures, booklets, leaflets, handout, guide-books and posters. It also arranges for the issue of advertisements and participation in exhibitions and fairs. The main function is to bring the tourist industry to the mind of the people through the mass media and other media publicity.
4. The Distribution Section

The Distribution Section’s chief function was to deal with the distribution of tourist publicity literature in India and abroad.

The Tourist Traffic Branch with its expansion, made progress by leaps and bounds. It made manifold progress within a short period of time in the activities of the Tourist Traffic Branch. The four branches developed during 1955-56 rendered a variety of services covering almost all the important aspects and segments of tourism. These branches function under one Deputy Secretary and two Under Secretaries. At this stage, there was a proposal for the creation of a Directorate General of Tourism. But this proposal did not find full favour as it was realised that the industry of tourism had not yet developed to a considerable extent.

Tourist Information Centres

Tourist information is of prime importance in promoting the growth of tourism in India. There is a chain of Tourist Information Centres within India and abroad.

Tourist Information Centres at the National Level

Tourist information centres at the national level play a pivotal role in promoting the growth of tourism. It has been responsible for the opening of a chain of tourist offices in the country. Steps were

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taken to set up Regional Offices at important points of entry. Tourist Offices were opened in Delhi, Mumbai, Kolkata, and Chennai. This chain was followed by establishing information centres all over the country so much that by the end of the year 1955, nine such offices were opened. Some of the main functions of the tourist centres in India were the supply of the latest information of places of tourist interests to tourists after they had arrived in India, keeping in close contact with all the segments of the travel trade, assisting the tourist in clearance of various travel formalities, distribution and display of tourist literature and periodic inspection of various facilities available for tourists. The tourist centres were also to make sure that various facilities were provided, amenities developed and maintained in each region. The tourist offices in India not only catered to the requirements of the domestic visitors but they also attended on the foreign tourists.

Tourist Information Centres: At the International Level

Tourist centres are also established at the international level. These centres have been set up in order to attract foreign tourists to India. The first step in this matter was the setting up of the Government of India Tourist Office in New York, USA in December 1952. Special staff was also provided in the offices of the High Commissions for India in Sri Lanka and Australia for the work of tourist promotion in these countries.
The first office in Europe was opened in London in July 1955. Two more offices were set up, one in Paris in February 1956, and the other in Frankfurt in September in the same year. With a view to promoting tourist traffic from foreign countries, especially from Australia and New Zealand, a tourist office was started in the city of Melbourne in September 1956. In 1956 also an office was opened in Colombo on the occasion of the 2,500th anniversary of Gautam Buddha. The office in Colombo was responsible for promoting propagating and helping a large number of the Buddhist tourists from Sri Lanka.

Advisory Bodies

In order to establish liaison with various Ministries and coordinate various activities pertaining to tourism, the Department was represented on the following Committees and Advisory Bodies:

1. Standing Facilitation Committee of the DGCA.
2. Civil Aviation Development Fund Committee.
3. Advisory Committee on the Indian Airlines.
5. Indian Board for Wild Life.
6. Central Advisory Board of Archaeology.

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10. Ad-hoc Committee to review statutory rules regarding the use of protected monuments and sites for holding public functions sponsored by the government and non-government organisations.


12. India Tourism Development Corporation.

Advisory Committees are of two general types – constituent and technical. Members of the Constituent Advisory Committees may be chosen for their personal qualifications or because they represent social, professional or other groups in the community. Technical Advisory Committees, on the other hand, are designed to assist the administrative officers in the formulation of plans and in the development and application of various techniques of value in the particular programme. The Advisory Committees are established on a temporary basis. The members who constitute the committee are both official as well as non-official and are experts in the given field or in allied fields. The head of
the committee is a chairman. The committees meet at regular intervals and their suggestions and recommendations are generally followed.

The Department of Tourism since its inception has had the following top level expert bodies: (i) The Tourist Traffic Advisory Committee, (ii) Regional Tourist Advisory Committee, (iii) National Tourism Board, (iv) Tourist Development Council.

**Tourist Traffic Advisory Committee**

In order to associate the public and the travel trade with their tourist promotional activities, the Ministry of Transport, Government of India, set up a Central Tourist Traffic Advisory Committee at New Delhi in the year 1950. The committee was reconstituted in February 1953. The Committee which included representatives of the various Ministries concerned and of tourist trade as also public men was set up with the objective of coordinating the work at the Centre and advising the Government on tourist problems.

**Tourist Development Council**

The Tourist Development Council was set up in February 1958 under the then Department of Tourism, Ministry of Transport and Communication. This was the principal advisory body at the national level.
Regional Tourist Advisory Committees

In order to ensure that the resolutions of the Tourist Development Council were implemented by the member States, four Regional Tourist Advisory Committees were constituted in February 1970. Another objective of setting up these advisory committees was to establish closer coordination among the States on a regional basis. The States represented on each Regional Committee were as follows:

1. Northern Region

2. Western Region
   Maharashtra, Gujarat, Madhya Pradesh and Goa.

3. Southern Region
   Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Pondicherry.

4. Eastern Region
   West Bengal, Assam, Bihar, Orissa, Nagaland, Tripura, Manipur, Andaman and Nicobar Islands.

Functions

The primary function of the Regional Committees comprises coordination between Central and State Governments as well as the essential segments of the tourist industry. The committees were set up
primarily for implementing the Tourist Development Councils' recommendations, ensuring regular regional consultation and better coordination between the Centre and the States.

National Tourism Board

The formation of the National Tourism Board was announced by the Ministry of Tourism and Civil Aviation in Parliament on 11 May 1972. The Board which is an apex body consists of one official and 6 non-official members.

The Board was created as part of the partial implementation of the recommendations of United Nations Development Programme (UNDP), experts and the report of the Indian Institute of Public Administration. Setting up of the National Tourism Board was one of the major institutional changes brought about in an effort to make the national tourist organization more responsive and capable of meeting the requirements of the growing industry. The objectives of the Board were to advise the Minister in the matters of policy and to provide fresh impetus to the development of tourism in the country.

Ad Hoc Committee on Tourism

The Ad Hoc Committee on Tourism set up in March 1963 can be considered a landmark in the history of development of tourism in India. The Committee appointed by the Ministry of Transport and
Communication was set up to enquire into the causes of the decline in the rate of growth of tourist traffic which began to slow down in 1960-62 and to suggest ways and means of expanding tourist traffic.

The Committee which held its first meeting on March 13, 1963 subsequently met eighteen times between March 28 and August 12, 1963. The report was submitted on August 23, 1963. The committee covered a large number of areas. A number of important recommendations were made by the committee. The recommendations made related mostly to areas like value of tourism, frontier formalities, provision of facilities at airports, transport facilities, hotels, publicity and promotion, development of tourist centers, shopping and entertainment, training of personnel for tourism, leakage of foreign exchange and building up of a tourism organization.

**Tourist Promotion Committee (1957)**

With a view to coordinate and increase promotional activities, a committee called Tourist Promotion Committee consisting of the Cabinet Secretary and heads of Departments of the Government of India whose functions related to tourist promotion, was set up in December 1957. The committee was set up to consider various aspects of tourist developmental activities such as tourist publicity, provision of
amenities at airports, management of rest houses, modernization of airports, establishment of duty free shops at airports, etc.

Hotel Standards and Rate Structure Committee (1957)

The Hotel Standards and Rate Structure Committee was constituted by the Government of India on September 18, 1957.

The committee met in Delhi and prepared a questionnaire which was widely circulated, in the hotel industry. The committee also examined about 400 witnesses from the Chief Ministers of States to the least paid worker in the hotel. The committee decided that its members should visit some of the important places of tourist importance in order that a quick survey should be made of existing conditions in hotels. A fairly large and comprehensive inspection was undertaken by the committee of the hotel facilities available in different parts of the country.

Hotel Classification Committee (1962)

The Hotel Standards and Rate Structure Committee headed by M.P., had strongly recommended in its report submitted to the Government of India in 1958, that the classification of hotels in the country should be undertaken as early as possible. That committee which went into this question in great detail, recommended that the classification of hotels should be on the “Star” system which has been adopted in several important countries in Europe. According to this system, hotels
are classified into five categories, i.e., from the minimum of one star to the maximum of Five Stars. One and Two Star hotels can be considered as economy class, the three star ones as of medium class, and the four and five star ones as hotels of luxury class. The Hotel Standards and Rate Structure Committee had also suggested some broad criteria for classifying hotels in India. They even indicated the number of marks to be allotted to each of them.

Hotel Review and Survey Committee (1967)

One of the 29 recommendations made by the Hotel Classification Committee was that the classification of hotels should be reviewed at least once in three years. All the recommendations of this committee including the classification of hotels be reviewed once in three years were accepted by the government. At the meeting of the Tourist Development Council in Simla in 1967, it was suggested that an assessment should be made of the economics of the rates charged by the hotels in different categories with a view to determine whether a rational basis could be evolved in standardizing the rates.

The Hotel Review and Survey Committee was accordingly appointed in November 1967 under the Chairmanship of Deputy Director General, Department of Tourism.
The Department of Tourism at the State Level

Since, November 1967 the Department of Tourism became an attached but non-participating office of the Ministry of Tourism and Civil Aviation headed by the Director General of Tourism. The Director General of Tourism carried the ex-officio status of an Additional Secretary to the Government of India. Although the department is an attached office, the department is both a policy making and an executive unit. It corresponds directly with the other ministries and departments of the Central Governments and the State Governments. The Director General is assisted by one Additional Director General, one Joint Director General, Deputy Secretary and five Deputy Director Generals.

The functions of the Tourism Development are both promotional and organizational which are conducted by the following seven divisions:

(i) Planning and Programming
(ii) Publicity and Conference
(iii) Travel Trade and Hospitality
(iv) Supplementary Accommodation and Wild Life
(v) Tourism Administration in India
(vi) Market Research
(vii) Administration.
Functions of the Tourism Department

The Department of Tourism has several main functions to perform. The manifold functions fall under the broad heads as given below:

(i) Collection, compilation and dissemination of tourist information in India and abroad and attending to enquiries from international tourists, tour operators and travel industry, such as airlines, steamship companies and hotels.

(ii) Co-operation with international travel and tourist organizations at government and non-government levels.

(iii) Development of facilities of tourist interest to international tourists.

(iv) Publicity at home and abroad with the object of creating an overall awareness of the importance of tourism.

(v) Simplification of frontier formalities in respect of international tourists.

(vi) Regulations of activities of the various segments of the travel trade, such as hotels, youth hostels, travel agents, wild life out guides, tourist car operators and shopkeepers catering to the needs of the tourists.

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(vii) Compilation of statistics and market research on international tourists traffic to India and their utilization for more effective tourist promotion.

India Tourism Development Corporation (ITDC)\(^6\)

The role of ITDC in promoting tourism is significant. In 1963, the Government of India appointed a committee to suggest the ways and the means for the development of tourism under the Chairmanship of Justice Jha. It recommended for the establishment of 3 separate corporations such as 1) Hotel Corporation of India Limited, 2) Indian Tourism Development Corporation Limited, 3) India Tourism Transport Undertaking Limited.

The main functions of these corporations were to promote tourist amenities such as construction of star hotels in Public Sector arranging easy transport facilities to the tourists and making arrangements for amusement as well. Subsequently in October 1966 for the effective functioning of the department of tourism, it was decided to start the Tourism Development Corporation with headquarters at Delhi. According to the original plan it should function as under the director of the Department of Tourism.

The activities of the ITDC can be classified into the following:

1. Promotion of tourism by construction and management of hotels, motels, restaurants, tourist bungalows, guest houses, beach resorts and the like.

2. Making suitable arrangements for providing easy means of transport facilities.

3. Making provision for entertainment to tourist by organizing cultural shows, music and dance.

4. Establishing shopping facilities to tourist.

5. Provision of publicity about the tourist potentiality of India.

6. Establishing an institute to undertake research on tourism.

After the establishment of ITDC the promotion of tourists got a great encouragement and it provided a wide range of services.

Year of Tourism

The Government of India declared the year 1991 ‘Visit India Year’ with the intention of giving greatest importance to tourist promotion. It directed all the State Governments to reduce heavy taxes on tourist goods and also the Indian Airlines to accommodate tourists on a priority basis. Further it announced many concessions and privileges to
the tourists who visited India during the year 1991. As a result of it, tourism in India made a remarkable progress during the subsequent years.

**Tamil Nadu Tourism Development Corporation (TNTDC)**

In 1968 the Government of Tamil Nadu established a separate department of tourism at Madras. The government initially allotted Rs.50 lakhs to this department. It also provided an emblem ‘Amberala’ and initiated suitable measures for its rapid progress. However, in 1971 the government created the Tamil Nadu Tourist Development Corporation with the main objective of promoting tourism in Tamil Nadu. Its main objectives were,

1. Construction of Star Hotels, Rest Houses, Youth Hostels, Boat Houses and Wildlife Sanctuaries.

2. Establishment of information offices at important places within the State and also at Delhi, Mumbai, Kolkata, and other Tourist offices at Madurai, Chidambaram, Kanyakumari, Chennai, Mamallapuram, Ooty, Trichy and Salem.

The Department of Tourism in Tamil Nadu is now functioning under a Cabinet Minister followed by a Secretary and one director, few joined directors, deputy directors and assistant directors. The services offered by TNTDC are much sought after by domestic as well as foreign tourists. Further TNTDC offers a number of coach tours
at reasonable cost. It operates more than 27 types of coach tourists from Chennai. The corporation has luxury coaches which include A/c coaches. Also during tourist seasons the State Transport Corporation operates special bus services to the tourist places and places of fairs and festivals.

The TNTDC operates hotels for the benefit of tourists. It established “Hotel Tamil Nadu” in important cities and tourist centres.

The TNTDC is a pioneer in providing inexpensive clean and comfortable dormitory accommodation for the tourists. It maintains Youth hostel and Travellers bungalows at many places. It also provides boating facilities at Ooty, Yercaud and Pichavaram.

Apart from these activities every year the TNTDC celebrates the trade fair at Chennai, the summer festival at Courtallam, flower show at Ooty and Kodaikanal, Pongal festival at Tanjore and tourist week throughout the State. These festivals attract lakhs of people far and near.

The TNTDC also brings out every years broachers, guides, posters pictures, post cards, pamphlets, magazines and films of outstanding quality. It has opened information centers at Malaysia and Mauritius. It intends opening similar centres at Simla, Singapore and African countries.

As the TNTDC treats tourism as an industry, for all practical purposes, tourism has flourished beyond measure in Tamil Nadu.
Smokeless Industry

Tourism is in fact a smokeless industry. It earns over Rs.3300 crores annually for India.

Tourism and Five Year Plans

India adopted a policy of development through planning in 1952. During the First Five Year Plan programmes of tourism development were brought to the notice of people. During the Second Plan in 1957-62 the strides of progress made by the tourism industry were quite moderate. Development had to begin with the provision of basic infrastructure especially at important places of tourist interest where there were little or no facilities. The plan was divided into three parts. Part I schemes dealt with the development of accommodation at places of international tourist interest, where foreign tourist could be attracted. The expenditure on such projects was incurred entirely by the Central Government. Part II schemes included development of tourist facilities at places of interest to domestic tourists, which could also interest overseas visitors. On such projects the Central Government would shoulder half of the expenditure and the States would meet the balance. Part III schemes included projects which were primarily of local interest and were financial in nature. A number of tourist bungalows were constructed all over the
country under the Part I scheme, now named 'Travellers Lodges' and managed by Indian Tourism Development Corporation.

During the Third Plan (1962-67) also, this practice was continued. It resulted in the growth of a network of tourist facilities in areas where facilities were negligible. Both Gaya, Khajuraho, Bhuvaneswar, Konark, Mahabelipuram, Sanchi, Tiruchirapalli, Kanchipuram, Madurai and several other places were provided basic facilities acceptable to foreign tourists.

The highlights of the Fourth (1967-74) and Fifth Five Year Plans were the beginning of two major projects in the Central Sector to attract destination tourist traffic ie, those who come primarily to stay in India. Another charge noticed in the patterns of traffic was the predominance of teen agers among international tourists visiting India. Sixteen youth hostels of international standard were constructed and furnished in different parts of India to serve as catalytic models to the States for constructing similar hotels elsewhere. Several forest lodges, tourist bungalows and major resorts like the Kovalam beach resort and the Gulmarg Winter Spots Resort – were nothing but an outcome of the programme of tourism development landed during the fourth and fifth plans.

The preamble to the Fifth Five Year Plan for tourism
explained the role of the Central and State Governments. The centre would undertake projects which relate to the promotion of international tourism and the States were advised to confine their projects to serve the needs of domestic tourists or tourists from overseas.

The Sixth Five Year Plan envisaged very high targets of tourism development. The concept of Janata hotels developed by the Janata Government during the brief period (1977-79) was given up later in the new plan.

In the Seventh Plan (1985-90) tourism received considerable attention. It provided Rs.326.16 crores for tourism development.

The Government has been offering fiscal and financial incentives to the private sector for hotel and restaurant development. It has also set up numerous agencies to function in co-operation with the government especially in fostering the growth of tourism. The package of incentives and concessions being offered by the government includes a tax rebate up to 25 per cent of profits for a period of eight years with respect to approved hotels which commenced operations between the 31st March 1981 and 1st April 1990. There are separate provisions with regard to the opening of new hotels in backward areas. A Tourism Finance Corporation was started to provide loans for tourism promotion purposes at attractive rates of interest. Further, hotels have also been exempted
from the Monopoly Restrictions Trade Practice (MRTP) Act. Apart from concessional imports for new hotels, items to be imported for the modernization of the existing hotels will be covered by concession packages. The government announced a new package of incentives in April 1990 to promote tourism. It included, among other things exemption from expenditure tax for 10 years and 50 per cent concession in income tax for all newly approved hotels set up before December 1993 in hilly and rural areas as well as identified pilgrimage centres.

The efforts of the Government to develop tourism have been spectacularly. These efforts have paid handsome dividend to the government by contributing to the growth of tourist arrivals.