

LOKSABHA DEBATES
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MARCH, 30, 1994
NINTH SESSION



TENTH LOK SABHA

LOK SABHA SECRETARIAT

NEW DELHI

Corrigenda to Lok Sabha Debates
(English Version)

...

Wednesday, March 30, 1994/Chaitra 9, 1916 (Saka)

<u>Col/line</u>	<u>For</u>	<u>Read</u>
4/11	SHRI VIJAY KUMAR YADAV	SHRI VIJOY KUMAR YADAV
38/120	Delete SHRI PAWAN KUMAR BANSAL	
54/21	THE AGRICULTURE	THE MINISTER OF AGRICULTURE
74/6	SHRI BALRAM JAKHAAR	SHRI BALRAM JAKHAR
77/2	SHRI SAIFUDDIN CHOUDHURY	SHRI SAIFUDDIN CHOUDHURY
108/7 (from below)	16.00 hrs	16.07 hrs.
109/2	CMP	CPM
120/5	SHRI SAIFUDDIN CHOWDHARY	SHRI SAIFUDDIN CHOUDHURY
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LOK SABHA DEBATES

LOK SABHA

Wednesday, March 30, 1994 Chaitra
9, 1916 (Saka)

The Lok Sabha Met at four minutes
past Eleven of the Clock

[MR. SPEAKER in the Chair]

[English]

SHRI JASWANT SINGH
(Chittorgarh): Mr. speaker Sir, with your permission there are two or three issues to be raised. Particularly the issue of explosion that has taken place yesterday in the ordnance depot at Badamibagh in Srinagar is a matter of considerable concern to all of us. It is an understandable concern. If it is on account of an act of sabotage, terrorism or insurgency, then it causes one kind of worry.

If it is an act that is taking place on account of some lack of control or co-ordination or it is a question mark on the safety procedures of the ordnance depot, then it causes another kind of worry. But either way, it merits mention in the House and we would request you, Sir, to take such a decision as you would consider necessary so that the Government comes forward with whatever information is there in their possession. I understand

that an enquiry will follow and what the enquiry finds is a matter of time but at the present moment, if the House express its concern, it is not proper because after all, a Major General has lost his life and this is not an ordinary occurrence. So, the Government should clarify the position. This is my request.

[Translation]

DR. LAXMINARAYAN PANDEYA
(Mandsaur): Mr. Speaker, Sir, moreover it has also come in the newspaper that there is some kind of confrontation going on with the Governor of that State.....(Interruptions) It should be clarified.

[English]

SHRI CHANDRA JEET YADAV
(Azamgarh): Government should take initiatives on its own in such matters. Let the Defence Minister make a statement at the earliest. This is our request.

[Translation]

SHRI DAU DAYAL JOSHI (Kota): Mr. Speaker, Sir, 'Jansatta' has published a news-item saying that there is an apprehension in the mind of general public that law and order situation is deteriorating in Jammu and Kashmir. Please tell us about it.....(Interruptions)...

SHRI HARADHAN ROY (Asansol): Mr. Speaker, Sir, yesterday at 6.30 P.M. 15-16

[Sh. Haradhan Roy]

workers entered into the main Chapui colliery under ECL through Mining Sadar Explosive carrier loaders to undertake the mining work. They sighted smoke at the level of 5-7 foot. They felt that it could lead to a mishap, so they come out of the mine and informed the Mining Manager and agent about it and expressed their apprehension that it can lead to a serious mishap. On hearing this, the Manager and the agent entered the mine with 38 men of Rescue Trade Personnel group and they evacuated 22 workers trapped in the mine. Arrangement was made to check the gas which was leaking from the old deep layer zone which was 150 foot deep. Similarly the stopped valve is quite old and the workers sometimes noticed smoke being emitted from there. The company was informed but no action was taken. Those who saved 22 worker deserve appreciation. There had been a mishap in New Kenda Colliery in January in which 55 persons had been killed. Yesterday in the same colliery major accident occurred and a worker was killed. Through we have been bringing such cases to the notice of Coal India Limited, yet they do not take any action. Arrangement should be made to protect the live of the workers in the mines. Yesterday we discussed with the hon'ble Minister also but it is very unfortunate that the Minister do not bring it to the notice of the State Governments. In fact, we have informed the State Government. (*Interruptions*)

[*English*]

SHRI ANIL BASU (Arambagh): Sir, Kanakul area of my constituency is getting assistance from the Damodar Valley Corporation Boro paddy crop is the only crop for survival in that area. This year, they could not get any water from the DVC system and due to lack of water, the Boro crop standing on 30,000 acres of land is going to be destroyed. The Chief Minister of West Bengal has asked the Union Water

Resources Minister to provide additional quantity of water to safeguard the Boro crop in the Kanakul area. So, through you Sir, I urge upon the Union Minister for Water Resources to issue necessary instructions to the Central Water Commission so that additional water is provided to save the paddy crop in that area which is getting floods from the DVC system every year.

[*Translation*]

SHRI VIJAY KUMAR YADAV (Nalanda): Mr. Speaker, Sir, the Members of Parliament are facing difficulties in obtaining the cooking gas cylinders as the LPG distributors are not supplying the cylinders in time and could not even cook anything yesterday. Even then, no action was taken.

MR. SPEAKER: If such issues will be raised in Parliament. Then there will be no end to it.

(*Interruptions*)

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): Mr. Speaker, Sir, I would like to thank you for giving me an opportunity to speak. We have read it in the newspaper that Shri Rajesh Pilot and Shri Farooque have attended a meeting of officials in J&K. Many people apprised of their difficulties. (*Interruptions*)

MR. SPEAKER: There is no point in raising this issue.

11.10 hrs

DISCUSSION UNDER RULE 193

Final Act Embodying the result of the Uruguay of Multilateral trade Negotiation- Contd.

[*English*]

MR. SPEAKER: Shri P.G. Narayanan.

SHRI P.G. NARAYANAN (Gobichettipalayam): Mr. Speaker Sir, this debate is taking place under the shadow of various discussions which have already taken place inside this House and outside also and most of all, it is taking place under the shadow of agreement which has already been negotiated and settled. Now, we are at the negotiating table and it is a question of give and take. It is not a question of just saying no to everybody. The constant attitude on the other side was negative. There was no constructive suggestion as to why and how we should negotiate. Fortunately for us, the Government has negotiated in spite of all that and we have come out with a document which may not be completely to our liking but, at least, it is there, it is something which we can live with.

Let us understand what the situation is, as it exists today. We as a nation, are alive to the aspirations of our people. We as a nation are alive to our responsibilities. We as a nation are alive to the opportunities of the future.

First, a few words about the Dunkel proposals. The Dunkel Draft Text was authored by Arthur Dunkel, former Director-General of GATT, by way of a 'compromise' solution since the Uruguay round was not making much headway. The Dunkel Draft was earlier scheduled for adoption by the end of 1990. But for lack of agreement between the member countries, the deadline was shifted three years hence. And until the final hours of December 15, 1993, when the Dunkel Draft was finely adopted, the United States and the European Union were engaged in stiff argument over the terms relating to European subsidies, especially in the agricultural sector.

What made the Dunkel Draft such a difficult text to digest was that by the time we

came to the Uruguay Round, the framework of the proposals had been enlarged much beyond the original agenda of dismantling of tariffs and other trade barriers. How it went further to include the Trade Related Investment Measures (TRIMS), Trade Related Intellectual Property Right (Trips) and Trade in services.

As the negotiations came to a close, the developed countries made it clear that they had got a worse deal than the developing countries. For vast concessions in areas such as service and intellectual property, they felt, in return, they had not got enough in terms of access for their products into Western markets. The long term impact of the Uruguay Round will take a long time to be felt and judged. Many of its provisions will only come into effect in five to ten years time and it is only then that one would really be able to tell what its effect on the global economy will be.

Notwithstanding the new GATT discipline and dispute settlement procedures—which by themselves are heavily biased in favour of developed countries—the strong countries retain and will no doubt use from time to time the bilateral or unilateral options. But not a single improvement in terms sought by India could get through. While the United States attempts to delay the phasing out of the multi-fibre agreement by another five years, but they have not succeeded. There is little cheer for India textile exporters.

The other area where substantial gains are being claimed is agriculture. The picture that is being painted of India's agricultural exports expanding by leaps and bounds on account of the reduction in agricultural subsidies in the countries of European Union is vastly exaggerated for at least two reasons. First, the final reduction agreed upon in the

[Sh. P.G. Narayanan]

bargaining between the US and the European Union is hardly significant. Second, the primary commodity exports have faced, for quite a long period now, declining terms of trade and the situation is unlikely to change. Thus even if exports were to increase in physical terms, their value increase would be quite limited. Further, with the increasing industrialisation of agriculture, such modest gains as may be made in agricultural exports are likely to be far outweighed by the losses in the ground yielded in trade-related intellectual property rights.

The argument that India can escape this provision of minimum market access by improving precarious balance of payment situation ignores the facts that the provisions permitting even a temporary restriction of imports of balance of payment ground have now been considerably diluted, and that in any case the IMF will be the arbiter.

There are several areas in which the GATT deal is extremely unfavourable to India. The introduction of product patent, the treatment of import as equivalent to working of the patent, the right to patent life forms and the requirement of providing an effective, all these have strong negative implications for biotechnology and agricultural advance. The argument that most drugs currently under use are not under patent ignores two important facts. Firstly, a "low" overall proportion of drugs not under patent is consistent with the same proportion being much higher for specific groups and this is indeed the case with the respect to such important groups as anti-bacterial and anti-cancer drugs. Secondly, in the context of the current biotechnology revolution, a lot of new drugs will be emerging and under the Dunkel text, these will be patented. Further, the claim that, where

necessary, the Government can invoke provisions of compulsory licensing in the public interest, is very misleading, since the Dunkel Draft provisions on compulsory licensing are very weak.

In India, drug prices are admittedly, at least, ten times higher than in the West.

Even in Pakistan which adopted a system of product patent, the drug prices are so many times higher. The Government has been indulging in misleading propaganda on this count. They cannot be exported. If you obtain a patent right, then you cannot export.

Here I would like to mention one important point. Product patent applications can be filed from 1995 itself. There is no transitional arrangement. If somebody invents a drug in 1994 in the United State, he can file for patent protection in 1995 itself. Applications can be made immediately with the Drug Controller from 1995 itself. Are you aware of the basic thrust and direction of this entire Act? In every schedule, it is said that we will go on, we will keep on liberalising progressively.

Apart from these, what needs to be unambiguously understood is that the new GATT treaty violates our sovereignty by seriously curtailing the power to decide policies not only in relation to such fundamental areas as agriculture, investment and social welfare. Unfortunately, the Government has shown on willingness at all to put even a decent fight, let alone to evolve a serious negotiating stance independently and in conjunction with other developing countries. This is, of course not surprising, given the present Government's object surrender to the harsh settlement of the IMF and the World Bank.

Sir, the more I go through this final Act,

the more I am astounded and dumb-founded by the all-embracing tentacles of this Act. Then Government of India has been reduced a glorified Municipality. The Parliament has been reduced to a Municipal Council. It is just like Delhi Assembly which does not have any powers whatsoever.

Now, to illustrate my point, firstly I would like to refer to Services. I do not know whether our Commerce Minister has been able to read this. It says, a service supplied in the exercise of governmental authority, means any service which is supplied neither on commercial basis nor in competition with one or more service suppliers. That means you cannot even provide education. That means the world trade organisation, which is going to success GATT, can have access to any service other the maintenance of law and order.

Take for instance health. That is run in this country on committee lines, on commercial lines. They can enter. The range and the gamut are total. Whenever we say, the sovereignty of India is being trespassed upon, I may now tell you, we were guilty of gross understatement. The sovereignty of India has been eroded. We are here to maintain law and nothing else.

Sir, I wonder whether it will be a democracy now or it will be GATTOCRACY. It will be no longer a democracy. It will be ruled by the GATT and not by the Parliament of India. The GATT's track-record has always been loaded heavily in favour of the rich nations. Therefore, the developing nations made a complaint in the United Nations. The is how the UNCATAD came into existence.

Yet the track-record of GATT has not improved a wee bit. Through the Uruguay Round, through this Final Act the range and depth of domination by the rich nations will

be inordinately increased.

I do not say that our Government did not do its best at the GATT, in a sense, that our representatives took many negotiated decisions to secure the maximum advantage but they failed on the political front because before the Uruguay Round was completed on 15 December, 1993, eighteen months before that, our Government gave away the bottom line.

MR. SPEAKER: Now Mr. Narayanan, you should conclude. You are repeating it. Please do not repeat.

SHRI P.G. NARAYANAN: Now coming to agriculture, quite apart from financial implications, I am worried and frightened over the loss of autonomy. There are many people in our country who think that the Indian agricultural products can be exported on a large scale. Our export policies are absolutely meagre. In India, we never gave export subsidy to agricultural products. So advantage is not there at all. How are you going to complete in the international market?

In terms of quantity, the subsidy, at the end of six years will be to the tune of 79 percent. In the Draft proposals, the access was upto 3.3 per cent. But now in the final GATT Act, the access will have to be 8 per cent. Now they are saying that Europe, the USA and Japan will be compelled to reduce their subsidies. To what extent? They will be reducing the subsidy by 20 per cent at the end of the sixth year.

Are we aware that the Government of Japan gives 700 per cent subsidy to rice in Japan? If 20 per cent is reduced, how are we going to export our agricultural products? How are we going to be internationally competitive? Why are you holding our a false hope to cover up your surrender, your

[Sh. P.G. Narayanan]

defeatist mentality?

In this area, that is, in agriculture, substantial gains are being claimed. The picture that is being painted of India's agricultural exports expanding by leaps and bounds on account of the reduction in agricultural subsidies in the countries of the European Union is vastly exaggerated for at least two reasons. First, the fin reduction agreed upon the bargaining between the US and the European Union is hardly significant. Secondly, primary commodity exports have faced, for quite a long period now, declining terms of the trade, and the situation is unlikely to change. Thus, even if exports were to increase in physical terms, their value increase would quite limited. Further with the increasing industrialisation of agriculture, such modest gains as may be made in agricultural exports are likely to be far outweighed by the losses in the ground yielded in trade-related intellectual property rights.

People are talking of exports. How can you export? The provision of the GATT will be fulfilled by the emerging, expanding regional blocs. The commitment here is, we shall not imposed customs duty beyond 45 percent over all. Of course, the finance Minister has been reducing the peak customs duty. Tomorrow, if somebody else comes to power, he also would not be able to increase the customs duty because we are going to be bound under this law for eternity.

Many of the policies covered by the various agreements are within the jurisdiction of States or are concurrent subject. No doubt Article 253 of the Constitution allows Parliament to legislate in such areas also to give effect to an international treaty. However, since many basic policies of State

Government are involved, they must be consulted before any commitment is made with respect to such areas. A ratification by Parliament of the emerging agreement and consultation with state should be necessary, contrary to past practice, as no such wide-ranging international agreement affecting national and international, affecting national and sub-national policies and of concern to many sections of the people has been concluded before. After all, it will be possible to give affect to many of the provisions of Dunkel text through legislation only.

Therefore, my plea to the hon. Minister is that this final Act of GATT needs to be thrown out, look, stock and barrel. You take a decision that you will not sign it. We will go for bilateral agreements. Let us see what we could do. Why should we get into the mess at all? It is not too late to reverse the decision. Hon. Prime Minister made a bold declaration that they were going to sign it. When the negotiations are still under way, where is the need for you to cry from the house-tops that you are going sign it? for the sake of the people. for the sake of the country, please stop this kind of declaration.

It is, therefore, our considered view that the Government should re-negotiate after identifying all the unacceptable points on the various proposals in the draft package, which we could just not accept in their present form, because its acceptance may result in curbing our country's economy and frustrate the pursuit of this developmental priorities.

I would urge upon the Government to have a more pragmatic and dispassionate approach to the proposed change in the General Agreement of Trade and Trade Rules.

MR. SPEAKER: I think, you must conclude now.

SHRI P.G. NARAYANAN: Yes, Sir, I conclude now.

MR. SPEAKER: Thank you.

11.29 hrs.

RE : THREAT TO LIFE OF SHRI
SATYA DEO SINGH M.P

[*Translation*]

SHRI CHANDRA JEET YADAV
(Azamgarh): Mr. Speaker, Sir, I would like to draw your attention to one point.
(*Interruptions*)

SHRI ATAL BIHARI VAJPAYEE
(Lucknow): Before any other member is invited to speak, I would like to raise an important issue in the House though it is not related to the subject under consideration and we are sorry that we would obtain prior permission of the House to raise it. But the issue is serious enough and it concerns the safety of the life of a sitting Member of parliament, I am referring to Shri Deo Singh. He has already been made target once, but he escaped. Now a conspiracy is being hatched against him. He has been receiving repeated threats to his life and threats about kidnapping of his family-members. If something untoward happens tomorrow then, we should not be blamed for neglecting our duties in the House. We seek your special permission in this regard. The situation is really grim. You are the Speaker of this House and the Home Minister is also present in the House. The life of a Member of Parliament is in danger. The Uttar Pradesh Government is not fulfilling its duty. In such a situation we supposed to remain silent spectators?

SHRI CHANDRA SHEKHAR (Ballia):
Mr. Speaker, Sir, I am making this submission

because I am aware of the incident that took place in which Shri Satya Deo Singh was made target. I can understand the gravity of the situation. He has repeatedly written to the authorities including the Home Minister. Leave side the case of the Member of Parliament, even if an ordinary citizen seeks protection his request should also not overlooked. He is our colleague. We stand by him. I am personally familiar with his district. As Atalji has said just now, I would also submit to the hon. Home Minister to personally look into it and get it investigated by the intelligence bureau so that such incident does not reoccur in future and he should be provided adequate security.

[*English*]

SHRI SOMNATH CHATTERJEE
(Bolpur): I also request that the Home Minister may look into this matter.

THE MINISTER OF HOME AFFAIRS
(SHRI S.B. CHAVAN): I will personally look into the matter. I will write to the State Government to provide the necessary security to the hon. Member and thereafter through our agencies I will try to find out as to what exactly is happening in that area.

[*Translation*]

SHRI CHANDRA JEET YADAV: Mr. Speaker, Sir, Shri Satya Dev Singh had already raised this issue. So, there should have been no need to raise it again. When the Member had himself apprised of the situation, the Government should have immediately taken notice and after consulting the concerned Member, he should have been provided security cover.

I would like to draw your attention to the fact that 28 Members of Parliament belonging to our party have been arrested at gate No. 1

[Sh. Chandra Jeet Yadav]

of the Parliament House we just come to know when Shri Rabi Ray and I had gone to lodge a protest but they were arrested. They are in police-custody. We had gone to see them. But they were not there, when we asked the officials, present there, about their whereabouts they informed that the Members have boarded the bus on their own and have left that place. This is a serious matter. So, it is our request to you to take necessary action in this regard.

[English]

MR. SPEAKER: I will look into the facts.

11.33 hrs

DISCUSSION UNDER RULE 193

The final act embodying the results of the uruguay round multilateral trade negotiations Contd.

[English]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, we are discussing the Results of the Uruguay Round of Multilateral Trade Negotiations and I think it is agreed on all sides that these Results do have and will have profound consequences for all nations of the world. It is, therefore, appropriate that this august House should take stock of the situation.

I have heard with rapt attention the speeches that have been made in this august House and I take this opportunity to place before the House some basic facts of the international economic life.

The first thing, before any discussion

on international relations can commence—and that applies to international economic relations as well—is that these are essentially power relations. These are not a charity show. We have to recognise that we live in a world of unequal economic and political power and that there is no simple mechanical formula to legislate about the equality at the international plane. This has existed throughout the post-war period.

Shri Jaswant Singh mentioned yesterday about this Treaty being unequal. Now, if you look at the whole history of the evolution of international relations in the post-war years, we have been Members of the IMF right from its inception. But we have accepted the system of weighted voting in the International Monetary Fund.

That is an evidence of inequality. But we still felt that we should make use of these international institutions to promote our national interests. We are member of the United Nations. And there is a security council, which gives the rights to five permanent members. That also is an expression of inequality. And yet we are members of the United Nations because we believe that we must use all these institutions to promote our national interest. As have-nots of the world, we must ask all the powers and that is the broad approach that we have followed when coming to Uruguay Round as well.

I am not arguing that these negotiations were negotiations among peoples. Inequalities of economic and political power are a fact of life. Then, how do you deal with the life of unequals? One way is that you have a law of jungle. You have countries dealing with each other, dictating to others unilaterally or bilaterally. The other course is to circumscribe this power to manipulate the power to unduly influence other countries

through a multilateral set of agreements. And GATT is an attempt in that direction. It is not a perfect attempt. Even before the Uruguay Round, there have been several Rounds of GATT negotiations. In all these GATTs, we found that we were, as developing countries, at a great disadvantage. That disadvantage persists today and that disadvantage will persist so long as India's and other countries' economic strength does not grow.

Now, the agreement as it stands, therefore, has to be viewed in this overall setting. It is a multilateral agreement. It casts certain obligations on us. It also gives us certain rights. And, therefore, it had to be viewed in this overall setting. It is a multilateral agreement. It casts certain obligations on us. It also gives us certain rights. And therefore, the question that we must ask is, does it minimise the risks and does it expand opportunities that are available to our country? And it is my honest conviction. There are, no doubt, risks. We are accepting certain obligations. But on balance, it enlarges the economic space open to our country, to realise its basic national goals of emerging as a strong self-reliant nation.

Sir, I recall the last document that Panditji saw before his death was the document of the Third Five Year Plan. I think, those who know the archives, also know that the first Chapter of that document was written by Panditji himself. And in that, he set out the meaning of self-reliance in the changed setting. And self-reliance, as it was then defined, was not India would become an autarchic nation or India would become self-sufficient in everything regardless of costs. But self-reliance was defined as our capacity to finance our development through our own resources without artificial props. When I say 'through our own resources', it was recognised that the inflow of private

investment was inconsistent. These are commercial deals. And self-reliance can therefore become a reality only if India moves away from this artificial aid props, to which we have become habituated in the last forty or forty-five years. How can we get out of that? I submit to this august House, through you Sir, that India is a country, whose import needs in the process of development are bound to increase. We are a large country. We have a diversified natural resource space. But we are not well-endowed on a per capita basis with natural resources.

India can realise its full development potential only if it becomes a major trading nation of the world, only if we can fill this gap—large gap between India's exports and imports. Therefore, we need a world environment in which obstacles to India's exports can be minimised. I submit to you, Sir, and through you to this august House that this GATT agreement may not be a perfect document. We have not been able to write a new GATT charter in our own image. That is a fact of life. We need to promote greater self-reliance to manage our own economy in a manner which will reduce our period of time, our dependence on artificial things like concessional and conditional aid. There are strong protectionist pressures in the world we live in. Which countries want to perpetuate their hegemony? The only security that weaker and poorer nations have is that we ought to evolve a world system which is a rule-based and not a deal-based system and recognising the realities of an unequal world, we must evolve a system in which in a multilateral forum you can at least put to shame some of these more powerful countries who want to exploit the rest of the world for their own selfish purposes. I think, the GATT agreement has to be viewed in that context. If protectionism grows, if there is growing

[Sh. Manmohan Singh]

tariff perestroika erected against India's exports, then I think we can say good bye to fostering economic growth.

Yesterday, Shri George Fernandes was talking about 4 per cent of GDP being needed to realise our growth objectives. We can realise our growth objectives with much smaller inflows of external assistance of foreign capital. But I do wish to point out that if the world becomes more protectionist then we must face the realities that even the three-and-a-half per cent growth rate which this country had realised between 1950 and 1980 cannot be accepted, that it will be there. If the world becomes more protectionist, millions of Indians will lose jobs. These will be cotton growers, handloom producers, mill workers and those all who are directly or indirectly associated with India's export trade.

Yesterday, a question was asked why is it that China being outside GATT can have its own trade expanding and why is it that we cannot go the Chinese way. Now, those who are familiar with the history of China would know that the Chinese today are able to talk to the world from a position of strength because they used the last fifteen years to build their economic structure. In 1978, the Chinese exports were roughly 9.6 billion dollars and India's exports were 6.6 billion dollars. China's exports are now 85 billion dollars whereas our exports are 21-22 billion dollars. China has used this period to build its own economic strength. China has taken far more seriously, whether we like it or not, than us and if you want to go the Chinese route, then let this august House evolve a meaningful national consensus to build our own economic strength. To make India a front ranking nation where our export would grow, our trade would grow, the science and

technology would grow. It is only then that you can say that we can look everybody else straight in the eye.

Merely by making speeches, you cannot achieve those objects. We have a long journey ahead of us and it is the solemn obligation of this house and of all those who influence public opinion, to realise that time is not on our side. Even a small country like Vietnam today is modernising itself at a breathtaking speed and if Vietnam goes the way it is now moving, time you can take it from me that in five years time, Vietnam would have a greater importance in the world trading system than India has. This is the challenge, this is the opportunity and this is the setting in which this August House should appraise the results of this Uruguay Round.

Coming to the specific issue whether we have been able to project our essential interest or not, I submit it to you that India needs a world trading environment in which protectionist forces would be held at a bay and this GATT Agreement, imperfect though it is, does assist in that process. If this GATT Agreement did not exist, we would have bilateral to face the might of powerful countries and you can well envisage what would be the outcome of the those negotiations. Even China, with all the strength that it has at its command, felt obliged to agree to the Patent Laws that the United States wanted to enforce. Those terms are far more stringent than the terms that you find in the GATT Agreement. So, we need this multilateral agreement to enlarge the economic space and to ensure that India's exports have a hospitable environment in which they can grow.

Issues have been raised with regard to what is going to happen to our agriculture, what is going to happen science and

technology, with regard to our ability to have a path of development which is autonomous, and whether this Agreement is infringing, in way, the rights, of the States. I shall briefly touch upon all these issues. When it comes to agriculture, the point that I do wish to emphasise is that our farmers need a pattern of development which could give them growing opportunities. And what does that involve? In our country, there has been in the past, inadequate recognition of the fact that agricultural terms of trade have not been as favourable as they ought to be. Our friends on the Left have always believed that agriculture has to be finance on the broken backs of the peasantry. We do not believe, and the Chinese also recognised later on, that that sort of a system does not work. Therefore, farmers need economic space. They need remunerative prices. They need more market opportunities for exports and removal of internal restrictions on trade in agricultural commodities. Throughout the post-war years, there were two major demand of the countries of the Third World, with all backgrounds, that agriculture and textile should be brought within the discipline of GATT. We are not larger exporters of agricultural commodities, therefore, we have a marginal interest in this area. But today there are a large number of developing countries in Africa and Latin America which are suffering acutely because in the last fifteen years, primary product price commodities have collapsed, because there is no discipline in world trade, in primary commodity. As an act of solidarity with countries of the Third World, we have always maintained that even though we may not be large agricultural exporters, we will side with our brethren in the countries of the Third World when it comes to improving the terms of trade for agriculture for enlarging the economic space for those countries.

Yesterday I think Shri George

Fernandes quoted that Malaysia be a net beneficiary; Indonesia will be a net beneficiary; Thailand will be a net beneficiary because they are large agricultural exporters. Well, we should not grudge that. After all they are our neighbouring countries. If they became more prosperous, there will be more opportunities of trade among countries of the Third World. Collective self-reliance has been a dream of the countries of the Third World. But it can become a reality only if the purchasing power of the countries of the Third World increased. Therefore, even though India may not be a large agricultural exporter, the fact that many other developing countries which have a vital interest in trade in primary commodities will benefit by that agreement is something we as a member of the Third World ought to welcome that. As far as India is concerned, it is true.

Yesterday, Shri George Fernandes pointed out that we derive marginal benefit. This in the past we have discriminated against our exports. If we have pursued patterns of development, which have consistently discriminated against agricultural exports in general, it should not come as a surprise to anyone that we will, in the short run, derive minimal benefit from this agreement. But now that we are reversing our policy, now that we are making exporting as a far more profitable, if you take a 10-year perspective, India could derive as much benefit as a result of liberalisation of world trade that is being now realised by other countries including China.

There is nothing in this agreement that the essential interests of Indian agriculture. In fact, as I see it today a new wave of agricultural diversification is under way. You go to Karnataka- you will find floriculture there. You go to Maharashtra or Andhra Pradesh- you will find horticulture there. They will become a lot more profitable by all

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these activities. They will find expanding market as a result of the progressive dismantling of restrictions on agriculture and trade. Our worry is not that agricultural restrictions are being dismantled but that they are being dismantled not fast enough. But there be no doubt about that that if provisions of the GATT would at the margin enlarge the scope for agree- cultural exports for India, what about our domestic producers. Questions have been about raised about about subsidies that we provide.

I will be brutally frank with this House. There is nothing in this GATT agreement which limits our ability to provide subsidies to agriculture. The real limit is that in a country where farmers are as large as 70 per cent of the population. there is a strict narrow fiscal limit. You cannot subsidise of the population, there is a 70 per cent population. The limit to subsidise agriculture is set by the fiscal conditions in India not by the GATT agreement. If you look at the aggegak exports that our agriculture has, it is a negative figure of roughly 17.5 per cent of the agricultural GDP. If we want to in crease the agricultural subsidies, let me say, GATT will not prove an obstacle. I think the real constraint on enlarging agricultural subsidy is the state of India's fiscal system. Therefore, for god's sake, let us not mislead our public opinion that this agreement is something which will take away our right to subsidies agriculture. I honestly submit to you at it is far frm being true.

A question has been raised- will we be able to have procurement operations; will the Government be able to spend public revenues in buffer stocking. To the extent that I understand the GATT agreement, there is nothing in the Gatt agreement which prevents India from pursuing a polocy which

is consistent with what India considers to be the requirements of food security.

Our public distribution system is protected. There is nothing in this GATT which says that you will not have a public distribution system. There is nothing in this GATT agreement which says that you will not subsidise investment in agriculture.

There is nothing in the GATT which says that you will not have subsidies for small and marginal farmers which are an integral part of the process of development. So, I would like to dispel all this campaign of disinformation that is going on in this country that this GATT agreement means that this Government has sold the interest of farmers. I think, high and dry, it is far from the truth. Our farmers will benefit by increased opportunities to trade.

We have a consistent policy for agriculture. Today, if you look at the terms of trade for agriculture, taking 1971-72 as the base, the terms of trade for agriculture are roughly 10% lower than what they were. In the last two years, thanks to the effort of my colleague, the Minister of Agriculture and the Prime Minister, we have been gradually improving agriculture terms of trade. One per cent improvement in agricultural terms of trade means, a transfer of resources to the farmers of Rs.8500 crores. If over a period of four or five years, we bring about 10 per cent improvement in agriculture terms of trade, Rs.85,000 crores of income will be transfer redy to India's farmers. Imagine what it will be to India's industry. Rs. 85000 crores of additional demand from the farmers of India for industrial products would usher in a new industrial revolution in our country. The policies and programmes that we have been following are not a programme of hurting agriculture. It is to free our agriculture from the Stalinist mind-

set of the CPI(M). We have never believed that the development of India's industrialisation must be on the broken back of agriculture. We will remove restrictions on farmers. We will encourage right to sell their produce where they like. We will gradually bring agricultural prices in line with the international prices. We will reduce protection to industry so that our farmers will get fertilizers, will get machinery at the lowest possible price.

SHRI SOMNATH CHATTERJEE (Bolpur): You are shouting here but you are silent in Washington. You have no courage to raise your voice there.

It is all in future. For three and a half years, his Party is in the Government. Now he talks of his Party and his Government. What about the three and a half year period? What has happened during that period? He is talking of doing this and going the at. You only close down factories.

SHRI TARIT BARAN TOPDAR (Barrack pore): Why do you allow dumping DAP? (*Interruptions*)

SHRI SOMNATH CHATTERJEE: Come to absolute specific. How are we benefiting, you explain. Let him tell the nation instead of giving... (Expunged as ordered by the Chair) lecture. The Government has taken everything from the people. You have not got the decency to tell the reality. You do not take the country into confidence. You only give us lecture. Why do you not say that these are the benefits we will get from this? In real terms, what will be the benefits? You are shedding crocodile tears for the farmers of India.

We are the people who have carried out land reforms. My Party has done that. We are surviving and we are growing in spite of

people like him. (*Interruptions*)

12.00 hrs.

SHRI TARIT BARAN TOPDAR (Barrackpore): He is talking about fertiliser industry.

SHRI BASUDEB ACHARIA (Bankura): Fertiliser industry is closed down.

MR. SPEAKER: This interlude is enough. Now please carry on.

SHRI MANMOHAN SINGH: Sir, I do not want to hurt the feelings of my friend. If I hurt his feelings, I apologise to him. But that was not my intention. I was mainly narrating how this gap between rural income and urban income can be abridged. (*Interruptions*). I was saying that we have to operate on a multifaceted strategy. We have to reduce the protection of industry gradually without hurting our industry so that our farmers can get all these things at the lowest possible prices. They get quality goods, cheap good and simultaneously we must give them more opportunities. We must remove obstacles to expansion and export of agricultural commodities. I do recognise—Mr. Somnath Chatterjee was right—there are millions of poor farmers. Now, market incentives have no meaning for them. I agree with him that we need land reforms to deal with problems. We need programmes of employment promotion and, that is why, in this Budget for this year and in the last year, large sums of money have been provided for those very farmers. We recognise that while farmers do require remunerative prices, there are poor people in rural India and poor people in urban India who require a system of public distribution. That is why we are strengthening the system of public distribution.

[Translation]

SHRI RAJVEER SINGH (Aonla): Mr. Speaker, Sir, I want information from the hon'ble Finance Minister...*(Interruptions)*.

[English]

MR. SPEAKER: This is not going on record. *(Interruptions)*....

We are discussing a very serious topic. *(Interruptions)*. Take your seat. If you have really any point to make on this final Act, you will see that time will be made available to you, but not to interrupt like this. If you have really a point, let the finance Minister complete his speech, take the opportunity and make the point, but you should not interrupt like this and, of all the Members, Shri Basudeb Acharia.

SHRI SOMNATH CHATTERJEE: May I speak? I appreciate what he said in the beginning that this is an unequal world. We are not powerful nation. We have to accept things against our wishes for the sake of multilateralism. I can understand. Whether he agrees or not, we can understand. Therefore, what we are expecting and the country is expecting, I believe, is to know what are the benefits in concrete terms. Please tell us this instead of these usual speeches that we heard have plenty of times. We are only requesting him. I was waiting with patience. Suddenly he starts provoking. My party is not surviving with his good wishes. If he provokes me, he will get it.

MR. SPEAKER: He will not provoke you. We have said that the multilateral agreement is better than bilateral.

SHRI SOMNATH CHATTERJEE: Let us know what benefit out of this GATT will

come.

SHRI MANMOHAN SINGH: I started by saying that the ambition of those countries for growth, for self-reliance and for social justice cannot be realised through a big increase in India's exports and India's exports and India's export cannot increase in a world where there is growing protectionism and where there is bilateralism.

I started saying that this agreement, even though it is imperfect, it does constitute an important step forward. It creates and it enlarges the economic base for India's exports and makes them grow.

I started by saying that. So, I do not plead guilty to the charge that I have not touched on this point.

Questions have been raised. It was asked will India become a flood-gate for foreign goods to be imported into this country? Shri Jaswant Singh saw some discrepancy between what I have been saying and what my colleague the hon. Commerce Minister has been saying. There is no contradiction. The hon. Commerce Minister has rightly pointed out that these obligations to provide minimal access to apply do not countries which have a balance of payments problems. The balance of payments problems, in the past also, have been determined multilateral. Even now, the GATT consults the International Monetary Fund to find out whether a country has balance of payments problems or not. There is no change in that provision. We have lived with that provision for the last 45 years; we can live with that. I am confident that when we have the balance of payment problem, our negotiators have sufficient wisdom to convince the rest of the world to take a reasonable view of India's requirements. But we are not for a perpetuation of the

balance of payments disequilibrium. We are acting actively to move towards a system when the balance of payments problems will be a thing of the past.

Shri Jaswant Singh asked: what will happen to imports? Then also are there is adequate safeguard because we are bound in GATT agricultural import tariffs at 100 per cent for basic primary commodities; 150 per cent for processed agricultural commodities and 300 per cent for vegetable-oil. If you are going to have an India where things will be so mismanaged that we cannot survive even with the 100 to 300 per cent import tariffs, then, let us say good-bye to any ambition of solving the problem of poverty or of unemployment. I have full faith in India's farmers; I have full faith in India's scientists and technologists that given these opportunities, our people will show to the levels can go up fast enough that India can become a competitive agriculture producer and we already are in many commodities. Therefore, there should be no fear that India is going to be flooded by imports of agriculture commodities. If you ask me personally, if we do get some imports from friendly countries, I think that would bind the countries of the third world together. I would like India and the developing other countries to work towards a system where there is growing inter-dependence. People talk about third world solidarity in abstract terms. But if the third world countries do not have import capacity, if they erect import barriers against one another, how can this solidarity become a reality. So, therefore, let us, I think, go ahead towards a system in which there will be increased flow of trade. Since many developing countries are producers of primary commodities, if at a margin, some primary commodities come in also, I do not think that will be a disaster. It will be a further contribution to India to promoting the collective self-reliance among the countries

of the third world. I would not like to go further into this whole area.

Sir, what is the true state of affairs? Important, impartial experts who have pronounced on the implications of the GATT for India have already come to the conclusion that all the campaign of disinformation that some parties are propagating has no basis, in fact. Dr. Swaminathan is one of our greatest scientists. He has conclusively shown that India on a balanced change. For example, only the other day I saw Dr. Kurien's statement that this agreement, if it is implemented, will open up vast opportunities for the dairy industry in India because while the dairy industry in Europe and the rest of the world is highly subsidised, it is not subsidised in our country.

So a freer system of world trade in dairy products would to the advantage of countries like India. We have nothing to be afraid of that.

Now I come to the second broad type of argument about the TRIPS, about the intellectual property rights, the trade related aspects. Here, I would like to take the House into confidence as to what is our approach towards technological self-reliance. We do recognise that today's world is driven by the forces of technology, that science and technology have emerged today as the major determinants of the power and wealth of the nation. How is this country going to acquire that scientific and technological strength? Whether you like it or not, today technology is not with the Governments. In the old days when the Soviet Union was there, we could get some technology howsoever inferior that technology may be. The technology today is with the multinational corporations. If you really want to leave the frog, if you do not want to become frogs in the well, you must go to a place where the

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top class technology is. India, therefore, has learnt to do business with the multinational corporations. And I would like to say that if you want to condemn India as having the second-class or third-class technology, you can stay with your patent rights. But you are not going to get the first class technology whether it is in pharmaceuticals or whether it is in any other products unless you are willing to pay the price. And let me say that it is no shame to pay the price. And those people who are spreading the terror that all these will lead to increase in price, there are several influences which determined the prices and payment for royalty is only a small part of the total prices that we have to pay. If to make India a front-ranking nation, to make Indian products competitive and top-class, if we have to pay additional price by way of royalty, I think, it is a small price to pay. Let us not have that mentality of a frog in the well. I think, we must recognise that we have to leave frog and the only way to leave the frog is not re-invent the wheel but to go where the top class technology is available. And that I think, is the reason why our Government despite some initial hesitation felt that our national interest is best served in our being a part of this GATT Agreement rather than standing out.

We cannot become another Burma. We have ambitions of being a front-ranking nation in the world so that we can compete with anybody in the world provided we give our people a chance, provided we release the bottled up creativity of our people. And it is for this reason why we feel that on balance the GATT Agreement will work to our advantage.

Now the questions have been raised with regard to pharmaceuticals and seeds. Let me say that we do not patent seeds.

What the Agreement does is, it does not restrict farmers' choices. It enlarges the Indian farmers' option. If the Indian farmers are content with using the seeds that are invented by our own researchers, it is well and good. But suppose, somebody has a better quality of seeds, supposing its use increases the productivity of the Indian farmers in a big way and we have to pay a small price as royalty, would you condemn Indian farmers to a low level of productivity. It is not a compulsion on our farmers to use a particular type of seed whether produced by multinationals or not. Our farmers will have greater degree...*(Interruptions)*

SHRI RUPCHAND PAL (Hoogly): I would like to know whether there is any scope for raising the prices. Please clarify this.

SHRI MANMOHAN SINGH: We are obliged to get or to force our farmers to buy any seeds. Our farmers are wise enough; they will decide which seed is more profitable. And in the meanwhile, we are proud of the achievements of our agricultural scientists and agricultural technologists. We always look upon India as an importer of technology. But the vision that we should have is that ten years from now, if you release the creative energies of India's scientists and technologists, India could become a major exporter of these technologies.
(Interruptions)

SHRI RUPCHAND PAL: What is happening in the case of missile technology?

SHRI MANMOHAN SINGH: They have a mentality that India is condemned to remain a third class nation and I have a belief and I have a vision that India has all the prerequisites of being a top class nation. That is the difference between you and me.

Sir, some questions have been raised about States' rights. I am very sorry that Shri Jaswant Singh....(Interruptions)

[Translation]

SHRI DAU DAYAL JOSHI (Kota): Please tell us something about medicines. The prices of medicines will increase four thousand times. Please make it clear as to where do we stand.

[English]

Mr. Speaker: Mr. Finance Minister, may I request you not to respond to these interruptions.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): And also do not listen to anything coming from the people.

SHRI MANMOHAN SINGH: With regard to the States' rights, I was very sorry that my esteemed friend Shri Jaswant Singh, for whom I have great respect, brought up this totally extraneous issue of the States' right. We take pride on being a one national common market. Now, in the name of the states' right if you are going to fragment this common national market, you will do an irreparable damage to the future growth of the India society and the Indian economy. We have to look upon India as an organic community. But you are introducing today... (Interruptions)

SHRI JASWANT SINGH (Chittorgarh), Sir, with due regard to his right to rebut everything that I have said in respect of the rights of the States, it is my expectation that the hon. the Finance Minister when intervening would not put into my mouth words that I did not utter or meaning that I did not have. I certainly stand by the rights of the States; and not for a moment did I

suggest in my intervention I am asking for dismantling of the that States; not at all. In fact, I am asking for strengthening of the federal structure so that the national market is strengthened.

SHRI MANMOHAN SINGH: That will be done.

SHRI JASWANT SINGH: And all that I said was that due process of consultation had not taken place with the State; that is all.

SHRI MANMOHAN SINGH: I will respectfully submit to Shri Jaswant Singh that I may be wrong; but it is my honest conviction that if you take right of the Union to enter into treaty obligation and in the name of the States' rights, you challenge the right of the union to enter into treaties, you would be unleashing massive divisive force which would work to the disintegration of this country. (Interruptions)

SHRI SOMNATH CHATTERJEE (Bolpur): How can it be? You have not even consulted the states.

SHRI TARIT BARAN TOPDAR (Barrackpore): You do not believe in the federal structure of the State. You are always criticising it.

MR. SPEAKER: It is a very delicate issue. Please handle it delicately. If you induct the concept that we can disunite, you should think two times and more than two times. Agriculture is in the Concurrent list; Foreign Trade is the Union list. You should know that.

SHRI MANMOHAN SINGH: I am sorry, Sir, Shri Fernandes is not here. Yesterday, he quoted certain documents as to what the American President says and what he does. Well, the American President is responsible

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to the American public opinion and I do not blame him for that. But I would like to say that today our exports to the United States are growing very fast.

We have the largest trade surplus with the United States. Therefore to argue that we are surrendering our market, we are opening our market to US is totally false. Shri Fernandes was quoting some agreement with regard to financial services. As usual he is*

MR. SPEAKER: I am sure that it is parliamentary. This may or may not be parliamentary.

SHRI MANMOHAN SINGH: I would like to assure this House that we have made very limited offers in the ..area of financial services. They are also subject to further negotiations. There is therefore no commitment of any individual sector mentioned by Shri Fernandes; that is banking, financial services, insurance. The only agreement so far is that negotiations in this area will continue for six months after the acceptance of the Uruguay round. During this period countries are free to withdraw their offers tabled thus far. All * that Shri Fernandes was trying to * that we have opened up our financial services to the to the world at large is totally inconsistent with the reality.

MR. SPEAKER: That will go out of record.

SHRI ANNA JOSHI (Pune): Ask him to withdraw it.

SHRI CHANDRA JEET YADAV (Azamgarh): This is a derogatory remark.

MR. SPEAKER: I have removed it from the record.

SHRI CHANDRA JEET YADAV: Yes Sir, thank you very much.

SHRI MANMOHAN SINGH: I believe I have covered most of the points that have been raised in the course of this debate. Shri Fernandes is not here. He reminds me again and again of the report of the . South Commission I was proud to be associated with the South commission. If Shri Fernandes and other friends read that report carefully, they would recognise that the options, the perils, the opportunities that the countries of the third world faced on the eve of 1990s are well spelled out in that report. I do not renege, I do not disown any of the things that are written or mentioned in that report. That report clearly recognises more than once that international economic relations are not a charity play; that we cannot get justice from the world simply because of breast beating that we are poor countries. The tragedy is, whether we like it or not, the world's attitude, the rich countries' attitude to the poor countries is the same as that of the Victorian England to the poor: 'the poor have been with us, they will be with us, so what?'. Instead of breast beating, the challenge before this nation is to realise its own developmental potential of which there is vast scope. If we do that, I can assure you there is no country in the world which will be able to ignore us. We do not have to seek the leadership of the third world or anybody else. If India's economy becomes a vibrant economy, if we grow at the rate of 7 to 8 per cent per annum-and if you grow at 7 to 8 per cent, you double your national income in ten years' time-you would then have an economy which everybody would like to chase, whose views you would like to have, whose views every country in the world would like to pay

*Expunged as ordered by the chair.

serious attention to. Let us work towards that goal rather than frittering our nations energy in this type of partisan debate, demoralising our people that somebody is out to rob them. That is totally inconsistent with the reality and the facts.

[Translation]

SHRI CHANDRA SHEKHAR (Ballia): Mr. Speaker, Sir, just now when I was listening to the speech delivered by the hon. Minister of Finance, I was reminded of a poem of my student life which Shri Vajpayee would also have heard many a time during the national Movement—N.C.

*Jisko na nij ka gaurav tatha nji desh ka abhiman hai,
wha nar nahin, pashu nira hai our
mritak samaan hai.*

Therefore, my submission is that the future of the country can be brightened on the basis of self respect, man-power and morale of the people of this country. It is only when crores of people make proper utilisation of the natural resources with determination that the future of the country will be bright.

The way the case of multinational companies was advocated in the House' created doubt in my mind whether the speaker was the hon. Minister of Finance or some multinational companies.....I was totally confused. (Interruptions)

[English]

SHRI PAWAN KUMAR BANSAL (Chandigarh): Sir, this is not in good taste. This is personal allegation against the minister. This should not be allowed to go on record. So, this should be expunged.

[Translation]

SHRI CHANDRA SHEKHAR: I am sorry and withdraw my statement. My submission

is that it appears as if a spokesman of multinational companies is speaking. (Interruptions)

Mr. Speaker, Sir, if I have spoken any unparliamentary word I withdraw it and apologise for it. If it change the situation. I am ready to apologise for it. (Interruptions)

[English]

MR. SPEAKER: He has withdrawn it. (Interruption)

[Translation]

SHRI CHANDRA SHEKHAR: If I speak any unparliamentary word through-out my speech by mistake or due to some other reason I express my regrets in advance and I'll withdraw it. However, the facts cannot be overlooked.

The hon. Minister of Finance spoke on various subjects in his speech and cited several examples, with pride including a reference to Vietnam. Perhaps the hon. minister of Finance knows the complete history of Vietnam as to how the supreme power of the world of which we are so afraid of, continued its attacks on Vietnam for twelve years but the people of that country were not demoralised. This is a historical fact. Instead of disintegration, the two divided parts of Vietnam merged into one country only because the people of that country were not demoralised. The entire power of the multinational companies, the armed forces of America could not suppress the people of Vietnam.

Today I am reminded of the observations made by Pandit Jawaharlal Nehru at the time of Third Five Year Plan, in comparison to the present circumstances when, regarding agriculture it is being

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claimed that adequate facilities are being provided to the farmers and the Members of Opposition are creating wrong impressions in the minds of people and are also demoralising them. It has also been stated that India is changing fast, gardens are being developed near Bangalore from where flowers would be exported. It would add to the exporting capacity of the country, and earn foreign exchange. But, hon. Minister of Finance is a well qualified person and is aware of the fact that it is a country where 76 per cent of the total cultivators have less than one hectare cultivating land, and hardly manage to make their both ends meet. Would you like the agricultural system of such a country to become export oriented? You have also state that the Government wants to help the third world countries. In whose eyes do you want to throw dust by deviating from the facts? Is it not true that these people taught the same lesson to the African countries what the hon. Minister of Finance is teaching us? At that time those people were persuaded to abandon the traditional agriculture and follow modern techniques to increase the production so as to export it. They were encouraged to grow cocoa and coffee for export. For ten to twelve years, they were provided adequate financial aid and encouragement from the multinational companies with the result that finally the traditional methods of cultivation was done away with. Big farms were raised and factories were set up. But the multinationals had a complete hold on the market. That is why they finished the market itself. As a result of it starvation prevails there today. You are also teaching the same lesson to us because you have been taught so.

It is not something new that is being

said in the country. I had stated last time as to why the hon. Minister of Finance is criticised in the House why leunting remark, are passed on him. Our colleagues are all praise for him. But the hon. Minister of Finance is not speaking something very glorious. About 60, 70 or 80 Finance ministers all over the world are speaking the same language, and all these are those hon. Finance Ministers..... *

[English]

MR. SPEAKER: I will carefully go through the record. What cannot form part of the record, will not go into the record.

[Translation]

SHRI PAWAN KUMAR BANSAL: Mr. Speaker, Sir, is it all being said to advocate sovereignty?... (Interruptions)....

[English]

SHRI PAWAN KUMAR BANSAL: It is not in good taste.

SHRI CHANDRA SHEKHAR: What is in bad taste? If it is in bad taste, I will sit down.

MR. SPEAKER: I will apply my mind. I will into it Please sit down.

[Translation]

SHRI DAU DAYAL JOSHI: Pawan Kumar Bansal ji, you need not understand the points discussed by Shri Chandra Shekhar. You will not be able to understand them. You do not have the height to understand the meaning of his observations. You are not so high to interrupt Shri Chandra Shekhar. You cannot argue with him. You are nothing before him. (Interruptions)

SHRI CHANDRA SHEKHAR: Mr. Speaker, Sir, I am following the tradition set by the hon. Minister of Finance. He has stated a few minutes ago that in this House that the Government is not ashamed and that our export would increase with their assistance. He also stated that those companies would also help in improving our economy. When he state that they will be the source of strength to the farmers, nobody objected. But when I say that the hon. Minister has stated so, it becomes objectionable. I am unable to understand why members of Congress party get agitated if I repeat the statement of the hon. Minister of Finance.

[English]

SHRI PAWAN KUMAR BANSAL: That again is a distortion. When Shri Jaswant Singh rose to make a point, the hon. Finance Minister referred to it. What is being done now? (Interruptions)

[Translation]

SHRI CHANDRA SHEKHAR: Mr. Speaker, Sir, all the hon. Members are great parliamentarians. If an hon. member rises, I would sit down because I am ready to surrender before anybody. But I am not ready to surrender before anybody. But I am not ready to surrender with regard to my personal point of view.

Therefore, I would like to submit to you that sometimes we must try to restrain ourselves a little to maintain the dignity of the House and the country. A number of arguments were given just now. It was stated that this is being followed from the very beginning. The members of Congress Party did not object even a little. It was stated that a single tradition is being followed from the days of Jawaharlal Nehru, that IMF and

World Bank existed even at that time and that we being a poor country, accepted everything in view of prevalent inequality. I would not like to go into details. But whether it is not true that despite everything, Pandit Jawaharlal Nehru had pointed out that a sub-continent like India will not depend on other countries to meet its basic necessities. Is it not true that despite opposition, Pandit Jawaharlal Nehru had stressed that we will have to set up steel companies and work for power generation. We do know that we being a poor country have inadequate resources, but the countrymen will have to make sacrifices in order to secure the future and safeguard the independence of the country. At that time he had stated that they were building the temples. These temples are the future of the country and people will offer prayers there. These temples will tell the tale of our development. Mr. Speaker, Sir, have these temples not started breaking down, are the bricks of those temples not falling? I do not know what agreements have been reached under GATT. But I am well aware of the intentions of the Government, it is due to their malafide intentions that our institutions— one after the other are disintegrating crumbling and tumbling into ruins.

Mr. Speaker, Sir, we had always sought and even today we do seek co-operation. However, there is a difference in co-operation assistance and support. We cannot surrender. We would seek co-operation and assistance, but we would not surrender. When we say that it is a document which would force us to surrender, we do not say so just to criticise the act of the Government, or to create any wrong impression. What is the nature of the document.

Mr. Speaker, Sir, yesterday you were not present in the House. Discussion was

held during which the hon. Members pointed out that complete document has not been made available and asked whether the document of 1947 were available or not? The hon. Minister of Finance stated that he would enquire about it. The matter is being discussed in the Parliament of the country, the Government is initiating the discussion, the future of the country is in its hands, but it does not have the original document on the basis of which the agreement is made.

[*English*]

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Sir, yesterday this question was raised. I told him because an off-the-cuff comment was made that I will find out where is the document. So, I had instructed that the document should be placed in as it is an old document of almost 47 years. I had asked them to the Library get it reprinted so that adequate number of copies are being made available.

SHRI NIRMAL KANTI CHATTERJEE: This is an incorrect information. The document is not that old. That document 1947 had been through various rounds and had been modified and brought upto date in 1986. when was the Uruguay Round started? It is that document which has to be kept in the Library. It is not that old.

It is the document which has to be kept in the Library it is not that old.

MR. SPEAKER: I am sure that you are going to get an opportunity to speak. You need not interject now.

SHRI NIRMAL KANTI CHATTERJEE: That is considered to be part of this Agreement

[*Translation*]

SHRI CHANDRA SHEKHAR: Mr. Speaker, Sir, my only submission was that this is an indication how seriously we are taking and thinking about these things. This is just the first objection that we do not have the document. We also do not know what will be the consequences.

Yesterday, you said a thing that baffled even me. You said that since the agreement is before the hon. Members they should discuss the difference clauses of it and not deliver a common speech. I tried to go through the agreement several times. I am not so good in English language, nor I am a well educated person. I tried to read it 2-3 times and I am not ashamed of making this submission that I was unable to understand where the agreement was taking us to. A number of aspects have been mentioned in it including the document of 1947 and also the cases lodged. Shri Somnath Chatterjee may discuss the various aspects of the constitution of India in the Supreme Court of India. I could understand the Constitution only in one reading but I am unable to understand the GATT agreement even after reading it thrice. Our learned friends have understood the contents very easily.. (*Interruptions*)

[*English*]

SHRI PRANAB MUKERJEE: Without reading the contents of it, how can you say that we have surrendered our sovereignty?

[*Translation*]

SHRI CHANDRA SHEKHAR: Do not worry, I am coming to that point.

This particular agreement is a topic of

discussion even today in most of the countries of the world. Japan is not agreeing to it. The Japanese Prime Minister tells his countrymen that he is sorry that his Government failed to check the import of rice. The Japanese Prime Minister feels sorry whereas the hon. Minister of Commerce and the hon. Minister of finance of this country are busy in self-praise and say that we are a strong country. *(Interruptions)*. None is ashamed—I am just revealing this fact.

This document is being hotly discussed in America and France. I doubt whether people of these two countries would agree for signing the document, when our Minister of Commerce goes there. But, while a number of countries in the world are raising objections regarding the said agreement, our friends are giving full support to it in the House and the Hon. Minister of commerce and the Hon. Minister of Finance are busy in extensive tours in the country to tell that the said agreement is the best one.

This is the difference between the world and us. It looks peculiar to us and hurts our heart. I know it but I don't want to mention those points. Today, the laws of India are being put on test in the Geneva office of GATT. Whether the laws would be changed and amendment to those laws would be carried out in the capital of India? The documents are being prepared to advise them there. But, even after giving an invitation to the Parliament of India to hold discussions, our hon. Commerce Minister is not in a position to tell us as to what will happen to our patents law. Whether those will have to be amended or not? Shri Jaswant Singhji and our another friend have said that amendments may be required to be carried out in our Constitution. Have you ever thought about this? If you have thought about it, Whether the Government have made any comments before the Parliament or the

people? We have a stable Government here. I would not like to go into the details. The Uruguay Round of talks were held. The President of America set up not one, but 4-5 committees. The people from Multi-national Companies were appointed the Chairman of those Committees. What is to be done in the field of agriculture, what is to be done in the Patent law and what is to be done in the field of medicines? In a committee, the Managing Director of Cargil was appointed the Chairman and in other committees, the people from the City Bank or some other people presided over. The talks were held for years. Our hon. Commerce Minister and the Finance Minister understand it better that what would be the approach of America. They don't bother to seek the advice from any quarter. They do not either seek the advice of the Members of the Parliament or the Opposition. They are busy in pulling their legs. They are not concerned about the dignity and the future of this country. Have you ever discussed this issue with the economists of the Universities, scientists and industrialists? There was no discussion at all. We were being taught a lesson daily and it is not being done so from today. It hurts our feelings. That very hon. Member, who once said that it is after five thousand years that such a Finance Minister is born, who is showing a ray of hope to the poor, is not present in the House now. You do not possess that much power to destroy the history of last five thousand years. Before the advent of English, 300 years back, ours was a rich country. Have you ever thought how we became rich? It were gold laced cloths of Banaras, Muslin of Dhaka, printing of Rajasthan, utensils of Moradabad, carpenters of Hyderabad and blacksmiths, weavers and other artisans of the country who made it rich. It all used to go to the World's markets. The multinationals were not invited to come to our country but instead, they had come to this country because we

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were rich at that time. Our country was called to be a 'Golden Bird.' They had not come to make us rich but to take our wealth. Nobody, in the world comes with its money to make rich others. The government would have to be more wise. Such a thing has never happened in the world. This world is very ruthless. It says that there should be protection but the protectionist should not be brought in. We get an opportunity to travel openly in the markets of the world. Somnathji, if you don't mind, you would perhaps have not forgotten that when Karl Marx wrote 'Das kapital', he had written a paragraph in a German edition of Bishops, which our hon. Finance Minister was referring to just in some other context. He had said that the political economics is a dangerous game. The man gets in touch only with those feelings which arises from his heart. He had further said that while dealing with political economy, the frustration of a man comes out. He also gave an example in this context. I am telling you the definition of that without lowering his dignity. He had said that if you argue with the Bishop on 35 or 38 principles, he would always say that we all are the progeny of one God and we should have the virtues of love and harmony among us. But when you say to the Bishop that one yard land of that particular church belongs to us, he will forget everything and take out a weapon to attack you. This is the human nature. Therefore, I want to tell you that if that country have any inkling of an attack on its economic interests, it will reproach you. The people of America and France have said that today in this poor country, the labour is available on cheaper rates. Therefore, some restrictions should be imposed on this also. The GATT will not vest powers to impose restrictions on agriculture, seed and pharmaceuticals but it will vest power to impose restrictions on human being.

Now, a new world Government is in the offing. My problems is that when I speak here, I speak as an ordinary Indian citizen but our hon. Finance Minister and our hon. Commerce Minister have become the citizen of the world. They talk of world politics. They are no more Indian citizen because of them, the whole world is one. Where our Rishis had gone, they have reached there. "*Ayam Nigah Paroveti Ganana Laghuchetshaiam, Udar Charitanam, Vasudhaiva kutumbakam*". It means that "It is ours, it is yours" is the thinking of narrow minded people. For large hearted people the whole world is like a family.

We are narrow minded people because we think about India, the poor people of this country, the farmers of this country and their huts. They think about multinationals, whether it is Washington or London. Have a mercy on the people of Kalahandi. Remember those thirsty people of Barmer and Jaisalmer as well as the Story of their thirst, their hunger. Their hunger stricken intestines will decide the politics of India and it is not only I, who is saying this. Now, you have decided to go ahead with agricultural reforms. Once, Pandit Jawahar Lal Nehru had said that if we could not prejudice the rising dust in the crores of huts in our country, it would take a form of a cyclone and bring down all our palatial buildings. He had favoured land reforms. You may give as may statements, give invitations to multinational and undertake land reforms, these all cannot go simultaneously. "*Hansat Satai Phulewai Galu. Ek Sang Nahin Hoi Guwalu*". It means, two things cannot go together. You have decided your own way but we have objection to flow that way as we face difficulty to trudge that way.

You must remember what the history is? It was after World War-II, that IMF, World Bank and this third institution, GATT were

formed. The sole purpose of these three institutions was to protect the interests of Multinational Companies. Their aim was to spread the interests of rich countries in the whole world. Today, this GATT is dominating the scene.

I would not go into the details of it. I have no knowledge about the number of councils, commissions as well as the committees. Whether, Supreme Court will intervene or not but it is sure that they will intervene. If you want the Indian farmers to lag behind, you may let it happen but if the Indian farmer sows the seed by mistake, whether Cargill Company will have a right to file a suit in India or not? Please tell me if the agent of Cargill goes to the villages of India and files a suit against them, will it not be an interference in our sovereignty? I don't know if they will do so or not but it is not a new thing. Those Multinational Companies which come to India, can bear the loss of crores of rupees for two, three or four years to outdo our indigenous trade. This is the history of these companies as well as the world. There is one company, Pepsi Cola which has been running into loss for the last three years. Can Indian Companies bear such a loss? Our hon. Finance Minister.....

SHRI UMRAO SINGH (Jalandhar): After its entry into Punjab, the cost of a field of tomato has risen to Rs.20,000.

SHRI CHANDRA SHEKHAR: Umrao Singhji is speaking correctly. He also speaks in the same tongue. I read a statement of our hon. Finance Minister that the industrialists of India should learn something new. These industrialists have been getting protection for the last forty to forty-five years. I was perplexed to hear that they will give an opportunity to these foreign companies to come to India and even they would be given priority over our Indian Companies. Forty

seven years back, foreign companies used to send us all material. Now, what we have done in the last 40-45 years, will it all be destroyed or done away with? We have no sympathy for them because when the hon. Finance Minister had given his first speech and even Advaniji had also appreciated that, our industrialists had cursed us. Today you are talking about high technology but no multinational company of the world is prepared to come forward to offer high technology. They are ready to invest to take over one organisation each of our industrialists. Everything will go into the hands of foreign companies. They say that what difference it would make? The people of this country will get cheap, good quality and multi-flavoured items. It hurts our feelings. But when we feel that we are Indians, it brings solace to our hearts. If every item is foreign made, this country will appear desolated and look like a cremation ground. Therefore, it appears to me that there is a vast difference between their thinking and our thinking. This difference in thinking compels us to speak such things. Mr. Speaker, Sir, I assure you that I have even no remotest feeling to denigrate anyone. But it appears to me that India's future is entering into an age of darkness. I don't know how long this debate will continue. The hon. Finance Minister has just said that if the power enjoyed by the Centre is diminished the country will disintegrate. Don't discuss about States. The State Governments are diminishing the power of the Centre but it is you people who are doing that. Even if your Governments are in the States, the people would have no faith in the Centre. If the people are not with you, the state Government cannot protect you. You even cannot save the country from disintegration. It is because of you that there is a danger of disintegration. Whenever countries disintegrate, the hearts of the people of those countries get hurt. That is

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why the hearts of the people of this country are also getting hurt. They think that they are the people who attained freedom and self-pride. Now, you are putting all that on stake. There are people like me who also have a thinking. Whereas, I am not at all concerned with all these things but I also know that what I am speaking is not going to influence you. Till I am here, I would continue to put my views.

Mr. Speaker, Sir as you have mentioned, science and technology is a far-sighted approach. The hon. Finance Minister has said that private companies could give donations to research institutions, which shall be exempted from tax. Don't think that it is one sided work. It is a co-ordinated work. Which companies could give donations to research institutions? Of course, these will be Multinational Companies. Where would our scientists go? Even if they love their country, they would not have adequate material. The facilities of research will not be available with them. Even all our scientists will be constrained to work in these multinationals without venturing out to foreign countries. This is the situation prevailing in our country. You say that there will be no restriction imposed on us to give subsidy. GATT does not impose restrictions. Hon. Finance Minister, if you would think only about GATT, you would put us in great confusion. But, you have admitted that GATT and IMF have given advice to you. On the one hand, IMF advised you to cut down the rate of subsidy on fertilisers, agricultural items and food and on the other hand, GATT would wield its pressure. Thus, you will be cornered from all the sides. Don't allure us with all these things, you would present this document one day and a different document the other day. This will put the people in confusion. You do not try to exclude the

people. The realities of economic life are very unpleasant and this unpleasantness is quite evident. You may think whatever you want but I would even reiterate this point today also. Hon. Shri Jaswant Singhji and Shri George Fernandesji have raised many points on this issue. Shri Fernandesji was expressing his grief. Whatever may be your opinion about them but what they were speaking about, were hard realities. You should not ignore the suggestions of every person by considering him insignificant. There are other people also whose hearts are full of love for this country. They have their feelings. It is not that one who has become a marxist-communitis, has become an enemy of the country. It is also not that because you are sitting on the seat of power, you are a patriot and there is nobody with us.

[English]

SHRI MANMOHAN SINGH: We have never said that. (*Interruptions*)

[Translation]

SOME HON. MINISTER You have said it. (*Interruptions*)

SHRI CHANDRA SHEKHAR: Mr. Speaker, Sir, I want to say so because today, the country is passing through a critical situation. Yesterday, some comments were passed on us but I don't consider them worth repeating here. When it is being said again and again, I consider it a right to say something. Yesterday, it was said that I consider myself a patriot and how can I be a patriot when I had allowed foreign aircraft's to land in this country before they attacked an Asian country. At that time I had admitted in the House that I allowed them to land here. Whom did I consult at that time? There are two persons sitting here- Advaniji and

Atalji- who know it well. I would not like to go into those details because it does not appear good to settle the dispute of big personalities by making references of bureaucrats. Therefore, I would like to put an end to it there itself. (*Interruptions*)

SHRI UMRAO SINGH: Terrorists from Pakistan....(*Interruptions*)

SHRI CHANDRA SHEKHAR: Mr. Speaker, Sir, the hon. Members are correct that I had made a statement in this House, in the context that I was calling the terrorists from Pakistan for talks. I agree to it. Sir, today I would request you that my step was in the right direction. I had given permission to land foreign aircraft's here only to fight against illegal annexation of a country of Asia and not to attack a country of Asia. And, I think it was a right step. But some people object to it and within 2-3 days I asked the President of America to take these aircrafts out of this country because some people of this country are enraged over this issue. Now, I would request the hon. Commerce Minister that you also convey our displeasure to America and tell them that we do not want to sign GATT agreement. On your displeasure, I had asked the President of America within two days that they should take away their aircrafts back. If you have the same courage, you tell America that it is the voice of the Parliament of India, the voice of villages and the poor of India that we will not sign this agreement. If you do so, It would be good for you.

Shri Pranabji, what has happened to you? I know you since 1962. You and I have worked together for a long time, we had dream of reaching our destination. Both of us have seen ups and downs together. I remember the couplet of Dr. Manmohan Singh, when he recited

'Hum akele hee chale they jaribe manjil manar, log ate hee gaye aur karvan banta gaya'.

SHRI RAJVEER SINGH (Aonla). Encouraged floor crossing and thus used to increase your own party's strength. (*Interruptions*)

SHRI MANMOHAN SINGH: 'Dil behlane ko Gaib ye Khayaal achha hai'.

SHRI CHANDRA SHEKHAR: Nothing is going to be gained by this carvan. When people set out for a pilgrimage, many coolies also accompany them to port their luggage, but the later do not reach the destination. Therefore, the hired carvan won't serve the purpose. If you just want to remember any couplet remember this one:

'Gar dhodri hai manzil khud apna rehuma ban, Wo bhatak gaya hai aksar, jise mil gaua sahara'.

THE AGRICULTURE (SHRI BALRAM JAKHAR): Mr. Speaker, Sir, a serious discussion is going on this issue and many hon. Members have expressed their opinions. All members are respectable, but, there can be conflict of ideas and usually it happens. It is not bad at all. I admit it. (*Interruptions*)

[*English*]

SHRI SOMNATH CHATTERJEE (Bolpur): All that should be in good spirit. Do not make malafide allegations against me. (*Interruptions*).

[*Translation*]

SHRI BALRAM JAKHAR: You are my hon. elder brother and a good friend. I have not done anything without consulting you.

SHRI RAJVEER SINGH: Have you consulted him prior to signing the GATT agreement?

SHRI BALRAM JAKHAR: We consult you also, Shri Rajveer Singh.

Mr. Speaker sir, the hon. Minister of Finance has thrown light on the various aspects of this subject. Under discussion. I would like to speak in brief regarding agriculture. I will not take much time of the House.

While I was discussing this subject with Hon. Shri Jaswant Singh you had asserted that it was not a matter of a party. But it relates the farmers of our country and our future. I would like to assure you that I am concerned about the country first and thereafter the farmers. I admit and believe that if the future of India is to be improved, the economy of country is to be improved. It can be done by increasing agricultural production and boosting up the morale of farmers. There are no two opinions in it.

13.00 hrs.

If the interest of farmers are hampered, the country cannot progress because even today at least 70 per cent citizen of the country have cultivation as the only means of their livelihood. We all are sitting here and I would like to beg pardon of the hon. Minister of Finance to point out one thing. If the farmers do not fill the godowns of the Government, their fiscal cannot hold water. There is inalienable relation between them and us. Our country can progress only when the condition of our farmers amentionatedc (*Interruptions*). I would like to assure you that I policy cannot compromise their interest for any petty gains. Even the entire wealth on this earth cannot compel me to compromise with my self-respect. I cannot

compromise on any point. I consulted the leaders of the opposition and tried to make them understand, that it is not the work of ours only but it is the task for everybody. Our future depends on it and I invite your suggestions in this regard. We should be capable of mending our mistakes and we should be bold enough to confess our own mistakes. I am not afraid of it. I called all the farmers' associations to my departments and asked them what they wanted and in respect of agriculture how they want to accept the GATT agreement. there are always two aspects of an issue. The one is positive and e another one is negative. It is applicable to every issue of the world. We invited our experts and hampered. We invited our experts and asked them to look into it so that the interests of the farmers are not hampered. We tried to make them understand and redress their grievances. This was our objective. I had stared a procedure so that the interest of the farmers should not be hampered at all. That procedure is till in progress and it is yet to be finalised. I want to introduce all those foreign laws in our country which are in the interest of our country and see whether their enactment would be beneficial or not and whether we should discard those laws. Yesterday Shri Bhogendra Jha told "Do not be coward. Leave it, do not sign the GATT agreement". But you misinterpret it. I am addressing you, We will be coward only when we surrender to them. We are not talking about our surrender. You might have read 'klaibyam ma smagam Partha, na etat twayi up padyate'. "Kritwa wa prapsyasi swarga, Jitwa wa bhokshyase maheem, Tasmāt utishtha Kaunteya, yuddhay krit nishchayah".

If we decide to fight, we need to go ahead. We do not want to surrender, rather we want to fight and win the game and the farmers of India have proved it.

(Interruptions).

[English]

SHRI SOMNATH CHATTERJEE: Who is your enemy?

SHRI BALRAM JAKHAR: My enemy is poverty.

[Translation]

Our farmers have accomplished it in a jiffy. The population of America is 20 to 22 crore and it produces enough foodgrains and exports. How much means does it occupy?..(Interruptions) The population of our country is 90 crore and we are capital to feed them properly because of the labour of our farmers I will not accept the argument that our farmers are incompetent or inefficient. They are worthy and they have strong will power to fight and they can produce foodgrains in sufficient quality, but they need our guidance. Our scientists have helped them in this regard. We are not achieving the goal only because today there is difference between our speech and action. (Interruptions) We must know our origin and goal. I know to which thing a man is attached and associated sentimentally. The heart of farmers cry when their crops do not grow properly. It seems to him that his own child has fallen sick, and at that time it is realised that blood is thicker than water. The farmers deserve our salute and we ought to do so.

Previously the production of our foodgrains was 47 to 48 million ton. Today the stock of foodgrains is full and now the production has reached up to 180 million tons. Previously the production of milk was 20 million tons which has increased now to 61 million tons and it is likely to become 70

million tons in near future. Previously we used to import oil worth about Rs.1200 crore. But now we are exporting oil and oilseed products worth Rs.1850 crore. This all has become possible only by virtue of the efforts of our farmers and scientists.

I went to Rajapur village on 13th. The people have adopted t new methods of agriculture. The hybrid-seeds are being grown there. It is not foreign know-how but by own private indigenous company. The people are producing fifty to sixty tons in those fields which could produce seven to eight tons only in past.

SHRI RAJVEER SINGH: Are they doing due to the Dunkel agreement? I would like to know whether the production has increased due to the Dunkel proposal or by virtue of the labour of the farmers.

SHRI BALRAM JAKHAR: Please take your seat. Your colleague is on his leg. I am saying it very seriously.

SHRI SURYA NARAYAN YADAV (Saharsa): Had you mercy and compassion for farmers, you might have not interrupted.

SHRI BALRAM JAKHAR: I want to point out that our future is very bright and it should not be eclipsed at all.

Subsidy is no problem. There is no problem relating to export or import. These points have already been made clear. I, therefore, do not want to waste the time of the august House by repeating these issues. I would like to discuss regarding the patent of seeds only as to what rights we would have on them and how it would affect the farmers. I would like to assure you that we will not allow anything which hampers the interest of the farmers. I want to dispel your doubt which you raised in the meeting.

[English]

SHRIMATI DIL KUMARI BHANDARI (Sikkim): Sir, I want to seek one clarification on the question of seeds. Frankly speaking, I do not understand much of these things.

SHRI NIRMAL KANTI CHATTERJEE: That puts you on equal footing with them.

SHRIMATI DIL KUMARI BHANDARI: The Business Standard of 18th February says I do not know whether it is true or not but I just want to educate myself- and I quote:

"The Government was alerted on the process patent given to Agricutus Tansgenic cottonseeds by an article in a Canadian journal *Rafi Communiqué*. The article argued that this particular seed would have adverse effect on major cotton producing countries."

It further goes on to say:

"In a move replete with retaliatory potential, the Government has decided to revoke a process patent given to a U.S. company Agricutus Inc."

I want to know whether it is true. If in the beginning itself the patent system is playing havoc, what will be the effect when we do it in full swings?

[Translation]

SHRI BALRAM JAKHAR: It has been my occupation to saw and grow seeds. Those who have not sown or grown any crops, or who are not familiar with these activities, cannot know it. We have produced hybrid-seeds. We have also multiplied seeds. I would reply to it afterwards. So far as seed sare concerned, I have come to this conclusion after discussion that there is

need of formulating new law and therefore, a procedure for formulating a new law is in progress in which we can safeguard the interest of farmers. In this regard Shri Chandra Jeet Yadavji had asked me as to what apprehensions can be made or whether any doubt can be raised or is there anything which can go against it. I would like to reply in this context.

Mr. Speaker, Sir, we can produce seeds for farmers by three methods. The first method is to adopt the patent system, the second is to adopt the sue-generis system and third one is to adopt the method which is in between of these two. We have chalked out the programme that sui generis system.

[English]

About the issue of the effectiveness of a sui generis system under UPOV provisions, Shri jaswant Singh time and again referred to 1961 provisions of UPOV. (*Interruptions*)

SHRI SOBHANADREESWARA RAO VADDE (Vijaywada): Earlier the Government was telling that it is an independent one and it need not follow any UPOV convention. Can you please clarify?

SHRI BALRAM JAKHAR: I am coming to that.

It may be indicated that actually in UPOV there are only two provision open now that is of 1978 and 1991. In fact the international convention on the protection of new varieties of plants of December 2, 1961 stands revised at Geneva on November 10, 1972 and on October 23, 1978 and on March 19, 1991. Nevertheless, there are two countries namely Spain and Belgium which continue to be guided by 1961 Act as amended by its Additional Act of 1972. Countries which are not yet members of

UPOV are free to join 1978 convention by December 31, 1995. Thereafter only 1991 provisions would remain open for new members. Hence India has complete freedom and discretion to join either of the two provision if it chooses to do so. Out of 24 countries which are members of UPOV as on date if two countries namely Spain and Belgium continue to be the members as per 1961 provision as amended by its Additional Act of 1972 there is no point for any apprehension as to why a sui generis system confirming 1978 UPOV provisions would not be rated as an effective protection. (Interruptions) There is nothing to worry on this. They object that it is not correct and effective. If under the GATT provisions they can object, the onus to prove that thing will be on the complainant party. (Interruptions)

SHRIBHOGENDRAJHA (Madhubani): It is not so according to the Final Act.

SHRI SOBHANADREESWARA RAO VADDE: The onus is on the accused. (Interruptions)

SHRI BALRAM JAKHAR: Even if it is proved to be that, I have the option to walk out of this GATT provision and GATT agreement giving six months' notice. That I have said. (Interruptions) Yes, absolutely so (Interruptions)

[Translation]

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Speaker. Sir, the hon. Minister of Agriculture has spoken a very important thing, and I want that the Government should look into it in future also that after signing the GATT agreement if we find that our interest are not being protected, we should come out of the trap of the GATT agreement after giving a notice of six months in advance.

SHRI BALRAM JAKHAR: I agree with you in toto.

[English]

SHRI SOMNATH CHATERJEE: It is in the existing GATT but in the new GATT there is no such thing.

[Translation]

SHRI RABI RAY (Kendrapara): Mr. Speaker, Sir, the Hon. Minister raising a very good point. Through you therefore, I would like to raise a question as to whether the entire procedure of GATT is legal in which it is stated that either you leave or take. My submission is whether it is an integrated hole. Moreover, he is stating that the Government is agreeing with him, and perhaps it is the opinion of the Government is also that it can withdraw after giving a six-month's advance notice. Then what is your opinion about 'either leave it or take it'?

[English]

SHRI NIRMAL KANTI CHATTERJEE: It is not only the complainant but the GATT says that this has to conform the patent agreement and, therefore, they will also make a review.

SHRI BALRAM JAKHAR: What I am saying is, I am saying with authority.

MR. SPEAKER: I do not want the Minister to make any commitment on this point.

SHRI BALRAM JAKHAR: I am not making any commitment. Sir, I am saying that there is a GATT agreement. (Interruptions)

MR. SPEAKER: Please do not create

problems for ourselves because we have solve them afterwards.

[Translation]

SHRI RAJVEER SINGH (Aonla) It has been asserted openly. Now it must be confirmed. (Interruption)

[English]

MR. SPEAKER: It should be the considered view of the Cabinet, not the off the cuff statement.

[Translation]

(Interruptions)

SHRI RAJVEER SINGH: Our hon. Minister is right. He speaks in favour of the farmers.

[English]

MR. SPEAKER: You help the House.

SHRI BALRAM JAKHAR: I am not saying anything out of the agreement.

I am saying it according to the agreement, according to what is written there.

The Indian sui generis system is, in fact, unique as it contemplates for the protection of old varieties development in the country. This is considered in the best national interest as essential derivation clause under UPOV 1991 has brought about meaning thereby that any breeder of a new variety will have to seek permission to the original breeder if he chooses to exploit the old variety through cosmetic breeding. As such about 2000 varieties of different crops and commodities would automatically get protected and hence

their commercial exploitation abroad could be checked.

The *sui generis* system is unique in another aspect as it is the only system contemplated which could enforce sovereign right on our vast genetic resources commensurate with the provision of Biodiversity convention of 1992. India is one of the eight centres of genetic diversity in the world and hence on balance sheet India may be a net gainer by deciding terms and conditions may be on mutually agreed basis which is otherwise going presently free. This is essential as some of the countries have already resorted to the patented of life forms.

The issue raised on licence of right is not considered appropriate as there would not be any incentive for investment in R & D efforts. Nevertheless, to meet the essential requirement as and when situation demand the Government could very effectively have a compulsory licensing of such protected varieties for ensuring availability of seeds to the farmers. Public concerns may over-riding priority.

[Translation]

I implied to speak that after it we could have got means to maintain the freedom of our farmers.

Yesterday Shri Rao had asked whether the farmers can sell the certified seeds after growing them. We are to grow our own seed free and give them wherever they want.

SHRI ATAL BIHARI VAJPAYEE: But they cannot sell.

SHRI BALRAM JAKHAR: Please listen to me first. Why I am doing this I am doing it for the welfare of the farmers and not for

anybody- else. I would like to submit that if farmers are interested in growing and selling the seeds on their own, they are free of purchase them from the National Seed Corporation, State Corporation or Indo American company. After the seeds are prepared, they should then get the grading and packaging of the seeds done and finally get the packets stamped showing the quality of the seeds. They are responsible and have to pay the penalty if seeds are found to be of sub-standard quality. Suppose Shri Jaswant Singh produces wheat seeds as much as 100 maund. But he without getting it patented or getting licence issued sells. when I come to know that his seeds are of very good quality, I will like to purchase the seeds from him. Nobody can prevent me from doing so. But it would be my responsibility to see that the seeds I have sown are of good quality. However, if he gets them patented, if he gets the licence issued, then the responsibility would fall on the seed corporation. Otherwise anybody is free to purchase and also sell the seeds the way he likes. So far as the high breed of seed is concerned, they are developed very frequently. I would like to submit that our doors are always open for farmers in this regard. We have the capacity and resources to prepare seeds to fulfil the requirements of the whole world. It has been pointed out that since the labours are paid very low wages this should be stopped. My submission is that such question does not arise we cannot accept it.

SHRI BHOGENDRA JHA: But the question has already arise.

SHRI BALRAM JAKHAR: How can it be accepted? If it is accepted, the labourers would be in loss. How can we accept this proposal? (*Interruptions*)

SHRI RAJVEER SINGH: When an agreement is signed and all the conditions

are accepted, then how can certain matters be exempted.

SHRI BALRAM JAKHAR: Had you been engaged in the work of growing seeds, you would have been aware of the situation. (*Interruptions*) You please sit down. I am clarifying the position. if you listen to me, then only you would come to know the factual situation.

[*English*]

SHRI RUPCHAND PAL: (Hooghly): Up to 1998, you review. (*Interruptions*)

Mr. Speaker; If he does not yield, you cannot talk. If he yields, I have no objection.

DR. ASIM BALA (Nabadwip): How will we get the new line of seeds?

(*Interruptions*)

MR. SPEAKER: Let us not mislead ourselves on that.

(*Translation*)

SHRI BALRAM JAKHAR: I am coming to that itself. Had you been engaged in this work you would have been aware of the things. Recently a former Prime Minister while speaking to the people of a village observed that perhaps America would no more allow us to have a hold even on 'Neem' tree. What is this? How can it be? You have already caused a great loss.

PROF. RASA SINGH RAWAT: Mr. speaker, Sir, the World Bank has conducted a secret survey through OECD-Organisation of Economic Co-operation and Development. Its report states that the prices of several foodgrains like wheat, maize, barley etc. are likely to increase from 4 per

cent to 7 per cent due to the liberalisation policy adopted under GATT.

SHRI BALRAM JAKHAR: I am not aware of it.

[English]

SHRI SOMNATH CHATTERJEE: (Bolpur): It is World Bank report. Shri Manmohan Singh will be angry with you.

[Translation]

SHRI BALRAM JAKHAR: My submission is that you have already done great damage. A person should do only what he knows and what is not harmful. Please listen to me first.

DR. RAM KRISHNA KUSMARIA: (Damoh): I would like to know from the hon. Minister of agriculture as to who will be entrusted the work of making seeds under sui-generis system. Will 75 percent of the farmers of this country do that work?

SHRI BALRAM JAKHAR: You first let me complete my point. I am telling as to who will do this work. Why do you ask me question without listening to me? I am going to reply your question only.

MR. SPEAKER: You please sit down. He is not yielding. My opinion is that the hon. Minister should make it clear to him as to what is sui-generis system, and what does the Government propose to do under this system.

SHRI BALRAM JAKHAR: We ourselves have chalked out this system. Besides, the co-operation of the scientists, experts as well as the ruling and opposition parties is also being sought so as to avoid any lacuna in it. All measures are being taken so that

everything takes place perfectly and neither our production suffers nor our farmers bear any loss. So far as the question of entrusting the work of preparing seeds is concerned National Seed corporation has already been set up for the purpose.

SHRI RUPCHAND PAL: But who will do the work, will it be done under GATT system or our people would do it?

SHRI BALRAM JAKHAR: Do not ask what you do not know. You are asking me who has been engaged in this work through out his life.

[English]

MR. SPEAKER: This system has to be created by us. You will do it or Parliament will do it.

SHRI SOMNATH CHATTERJEE: Who will decide which is the effective sui-generis system.

MR. SPEAKER: Parliament will decide, you will decide.

[Translation]

SHRI CHANDRA JEET YADAV: Mr. Speaker, Sir, in the meeting convened by the Hon. Minister of Agriculture, I had asked a question about sui-generis system. Perhaps the hon. minister is trying to answer that question. I had pointed out that the Government proposes to legislate on sui-generis system. But when GATT agreement will be signed, the international Sui-generis system would be implemented and not the one formulated by us.

MR. SPEAKER: Sir, now I would like the Hon. Minister of Agriculture to make a clarification. Our former External Affairs

secretary, Shri Muchkund Dubey, who on behalf of the Government....

[English]

Mr. Speaker: Please do not refer to any name because it is not possible for him to understand those names.

[Translation]

SHRI CHANDRA JEET YADAV: I am not levelling any all sagation. This question has been raised.

[English]

"The point that arises here is whether any Government can have a separate *sui generis* system of its own through national legislation when there is already in existence a *sue generis* system in the form of an international treaty. The answer to this question is that it is very doubtful that any Government would be allowed to have a *sue generis* system of its own... Once we become a party to it, then, the right of our farmers to use their won seeds and the right of our scientists to experiment with those seeds would be severely curtailed... Once we become a member and sign this proposal, then, we all remember that in the Dunkel Text, the burden of proof is reserved. The burden of proof is not on the party which is accusing but on the accused."

Therefore, I want a very specific answer in this regard.

[Translation]

SHRI BALRAM JAKHAR: Mr. Speaker, Sir, at present we are neither members of to *sui-generis* system of 1978 nor that of 1991. We ourselves have to decide whether we are to accept the membership or not.

However, our *sue generis* system is not going to beharm us in anyway. We have enquired everything and I would work as per your advice.

SHRI RUPCHAND PAL: It has been state in this chapter.

[English]

"The members shall provide for protection of plant varieties either by patents of the effective *sue generis* system and the provision of these paragraphs have been reviewed four years after the entry into force of the agreement."

[Translation]

SHRI BALRAM JAKHAR: Rupchand ji, this is the same thing. You re not aware of it. an exhaustive discussion has taken place and you are still ignorant of the main contents of it.

[English]

SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): Do you follow the UPOV treaty?

SHRI BALRAM JAKHAR: Who is following the UPOV? I have not told that.

[Translation]

I have stated that we have an option, we have still not adopted either of them. We have both the options.

[English]

That is what I have said. I have not adopted any system. Why can you not listen to it properly? That is what I have said: It is enough. It is our option whether we join this

[Sh. Balram Jakhar]

or that. We may not be joining at all. This is also there.

[Translation]

I know only that farmers would not find any hurdles in their way due to it. He is not to face any problem with regard to seeds. He will produce the seeds unhindered and do all the farming activities. I have many resources.

[English]

That is what is assured. What I am doing is opening it. What I am saying is my farmers have the right, have got the might and capacity to produce more.

[Translation]

You might have got the point now. I am asserting my point because I, too, hold some position. I am not soing to accept at all anything misleading about it. The farmer's interests will not be harmed today or in future.

[English]

SHRI SOBHANADREESWARA RAO VADDE; You will be ruining the farmers. (Interruptions)

SHRI BALRAM JAKHAR: I can only say this much that nobody else would be able to safeguard the interests of the farmers.

[Translation]

The question does not arise.

[English]

SHRI SOBHANADREESWARA RAO VADDE: Please tell whether the seeds will be retained or not.

SHRI BALRAM JAKHAR: That is what I am saying.

[Translation]

Rao Sahab, you are wrong. The farmers will suffer no loss on seeds. (Interruptions) I am never going to accept that. (Interruptions)

[English]

SHRI SOBHANADREESWARA RAO VADDE: You are misleading the House.

SHRI BALRAM JAKHAR: I am not misleading the House. What I am saying is the truth and the fact.

[Translation]

SHRI RAJVEER SINGH: Earlier, in the House and outside it, you. (interruptions)

MR. SPEAKER: He will not reply that way. He will reply in his own style. (Interruptions)

MR. SPEAKER He is not yielding.

SHRI RAJVEER SINGH: He is sitting and I through that he has yielded. (Interruptions)

MR. SPEAKER You go and talk to him in his chamber.

SHRI BALRAM JAKHAR: There are different stages of a seed; frist it is nucleus seed, then it is breeder, third is the foundation seed and then it is certified seed. their multiplication process is different. The farmers will not face any problem.

SHRI CHANDRA JEET YADAV. He cannot sell his seeds. (Interruptions)

[English]

MR. SPEAKER: The hon. Agriculture Minister is quite capable of convincing you on all the points which you want to raise. Only thing is, you should raise it separately and in such a manner that he is able to reply to those to points. please let him continue in his own fashion. After that, if you have any doubt, you are most welcome to his Chamber for a cup of tea and discussion.

[Translation]

SHRI BALRAM JAKHAR: Suppose, a farmer produces hundred mounds of seeds and retains 25 maunds out of it for his own use. Naturally, he will sell the remaining quantity of 75 maunds. Who can stop him from selling it ?(Interruptions)

DR. RAMKRISHNA KUSMARIA (Damoh): You say that the farmer cannot resort to commercial sale of seeds. Supposing, he store it for four months and then sells it, can it be called a commercial sale?

SHRI BALRAM JAKHAAR: I can say it with confidence that there is no restriction on the farmer..(Interruptions)

For me, the farmer is my god.

SHRI RAMKRISHNA KUSMARIA: You being caught in a whirlpool, how will you defend?

SHRI RAVEER SINGH: What has pressurised you to support it?

SHRI BALRAM JAKHAR: I do not believe in pessimism but in fighting my ways out. I am fully confident about the capability

of my farmers and scientists. (Interruptions)

We will change the destiny of farmers.

SHRI RAJVEER SINGH: Frist, you said that you oppose it whereas the hon. Minister of commerce had supported that.

SHRI BALRAM JAKHAAR: I had stated that the farmers' interests should never be harmed. (Interruptions)

[English]

SHRI RUPCHAND PAL (Hollghly): I have a very small question to ask. We should either opt for a patent or for an effective *sui generis* system. I would like to know whether that *sui generis* system is effective or not will be determined by whom. That is my frist question.

SHRI BALRAM JAKHAR: We are just calling it as an effective *sui generis* system; that is what we are doing. It is we who are doing it and this will be a legal document by this parliament.

SHRI RUPCHAND PAL: We cannot do it according to this Act.

SHRI BALRAM JAKHAR: We will do it.

SHRI RUPCHAND PAL: I would like to know whether it is effective or not will be decided by whom. My second point is that it should, at least, be reviewed after four years.

SHRI BALRAM JAKHAR: We are doing this according to this Act.(Interruptions)

ME. SPEAKER: Request Shri Jakhar to replay to Shrimati Geeta Mukherjee. She wanted to raise a question.

SHRIMATI GEETA MUKHERJEE (Panskura): Mr. Speaker, Sir, Jakhar Saheb is very much co-operative with me. I am asking a specific question. If a particular type of seed has been patented-product as well as the produce and from that process if we produce something in our country, can our Seed Corporation be caught? I would like to know whether it can be caught or not.

MR. SPEAKER: Who will do it? They do not have a machinery to do it unless the Government co-operated. (*Interruptions*) On the floor of the House, the Government is making a categorical statement that if anybody has to be proceeded against, it has to be through the Government. The GATT does not have the police or the court or any machinery.

SHRIMATI GEETA MUKHERJEE: But Sir, they are going to sign that GATT Agreement. (*Interruptions*)

MR. SPEAKER: That in not so: let us not create unnecessary fears in the mind of the people.

[*Translation*]

SHRI BALRAM JAKHAR: We can take Seed from anybody, if we wish to and benefit from it. If, it is not beneficial to us, then no one can compel us. Regarding the point raised by Smt. Gita ji, we are taking action on that. That was a foreign company.

(*English*)

We have already decided to get that thing removed from this patent list. we are going to have our own and we are going to do nothing against our framers.

SHRI RUPCHAND PAL: Is it not a subject to be cross-retaliated?

MR. SPEAKER: We have no time; if you have to cross-retaliate, there is a procedure to be followed. First of all, the information has to be collected; it has to be examined; there has to be consultations; it has to be referred to the disputes settlement and then question of cross-retaliation will come. Please do not worry about all those things.

SHRI SAIFUDDIN CHOUDHURY (Katwa): Sir, no this very important point, to get the things clarified, I wish to ask my question in a very simple way. Supposing a patent seed is taken by a farmer of this country and he produces the seeds from that. He does not get it certified, but he multiplies it. And after multiplication of the seeds, if he gives it to his neighbour or sell it in the market, will that prevented? That is what I want to know.

MR. SPEAKER: No.

[*Translation*]

SHRI BALRAM JAKHAR: Nothing will be done unless you authenticate.

(*English*)

SHRI SAIFUDDIN CHOUDHURY: That is your reply. What Shri Rupchad Pal, the initiator of this debate is saying is that the right to multiply this patented seed will not be given. That is what he is saying. Let the clarification be given on that.

[*Translation*]

SHRI BALRAM JAKHAR: He will have the right only when he sells it with his own commercial brand name.

[English]

SHRI SAIFUDDIN CHOUDHURY: I understand that, but what about multiplication of the seeds (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: There are many surreptitious ways by which it can be circumvented. Is that the whole point that you are making? (*Interruptions*)

MR. SPEAKER: I am allowing these question to be put to the hon. Minister and the hon. Minister is very nice and appreciative and he is replying. It is all to remove any misapprehension on this point. You should ask a pointed question and replay will given to you.

SHRI SOBHANADREESWARA RAO VADDE: Sir, during the discussions that have taken place earlier, in this House, the Government has given a note in which it has said that it will try to bring changes in the draft to enable the farmer to retain the seed of this produce for the next crop.

The Government will try bring change in the previous original draft that was being drafted by Mr. Aurthur Dunkel. The Government has admitted it. (*Interruptions*)

The Government has said that it will try to bring changes in the draft to enable the farmer to retain a part of the seed. Also, about the Indian farmer's traditional right to sell his produce as seed to his neighbour or his neighbouring village; out these two things the Government has said that it will try to bring change in the draft. We would like to know through you whether the Government has succeeded in its effort to bring any change in the draft. In the final agreement practically not a single word has been changed in the relevent portion.

MR. SPEAKER: That is what Shri Shankar Aiyar told you yesterday.

SHRI SOBHANADRESWARA RAO VADDE: The Government must clarify this. This is the most importand thing.

MR. SPEAKER: Okay, now it is enough.

The House stand adjourned to meet again at 2.45 p.m.

1342 hrs.

The Lok Sabha then adjourned for Lunch till Forty-Five Minutes past Fourteen of the Clock.

14.50 hrs.

The Lok Sabha re-assembled after Lunch at fifty minutes past Fourteen of the Clock

[MR. DEPUTY SPEAKER *in the Chair*]

DISCUSSION UNDER THE RULE 153

[*Translation*]

Final Act embodying the Result of the Uruguay Round Multinational Trade Negotiations Cond

SHRI NITISH KUMAR (Barh): Mr. Deputy Speaker. Sir, the police have committed atrocities on our workers, who were demonstrating against the Dunkel proposals. we too were arrested in this connection. Water canons have been used on our workers, they have been lath-charged and tare-gas shells have been lobbed on them. Are we including in anti-national activities? Janata Dal had planned to organise a protest march aganist the Dunkel

proposals duly I today. But the way the police are dealing with the workers, it seems, as if the Parliament was going to be attacked. Such action taken in a democratic set up tantamount to violating the fundamental rights of the citizens. Kindly give proper instruction to the Government to stop such action and, the Government should apologise here before the House for this action and should punish the guilty officials.

SHRI RAM VILAS PASWAN (Rosera): Mr. Deputy speaker, Sir, 25 members of parliament of our party along with some other workers were taken to the Mandir Marg police station at 10 a.m. today. Thousands of our workers were arrested at the Parliament street. We have repeatedly urged upon the government not to sell out this country. We are not committing any offence. Rather this Government is going to commit an offence by signing the GATT agreement on 15th April. We condemn this action on the part of the Government. We also condemn the use of water canons and tear-gas shells on people, particularly the Janata Dal workers who have been demonstrating for 2 days before the Parliament. Many of our workers have been injured. We demand that the hon. Minister should make a statement as to what atrocities have been committed against the Janata Dal workers during the past two days. (Interruptions)

Mr. Deputy Speaker, Sir, I am on a point of order on the paper circulated to us just now.

[English]

"Shri S.B. Chavan to make a statement regarding the article on R&AW published in the SUNDAY magazine on 27 March, 1994". I take serious objection to this.

SHRI PAWAN KUMAR BANSAL (Chandigarh): Sir, this is most a point. (Interruptions)

[Translation]

SHRI RAM VILAS PASWAN: I want to submit that the Government is not at all serious to the Parliament. The hon. Minister is going to make statement here for what can be better explained by a Government spokesman outside the House. We seriously object to the hon. Minister making a statement on what has been published in a magazine. A grave incident has occurred in Srinagar and no statement has come about that till now but this Government is worried about something published in a magazine. (Interruptions)

SHRI NAGESH KUMAR: Mr. Deputy Speaker, Sir, the Government should come out with a statement on the use of water canons, lathi-charge and tear-gas shells on the demonstrators outside the Parliament. You should accept your mistake or this can happen to you tomorrow as well because the Government cannot last long if it goes on like that..... (Interruptions)

MR. DEPUTY SPEAKER: Shri Rabi Ray.

[Translation]

SHRI RABI RAY (Kendrapada): Mr. Deputy speaker, Sir, the House has been discussing future of the country since yesterday. Today, we listened to views of the hon. Minister of Finance and the Minister of Agriculture and, yesterday, we listened to some hon. Members from the treasury benches. The issue under discussion is as vital as that life and death of this country. Country's partition had brought

aggrave crisis in India's history, when the whole nation was under the impression that we were fighting for a united India. Gandhiji tried to unify the country. The country had to suffer partition, despite the decision in 1930 on the banks of Ravi that we will fight for a united India. Nobody can stand up and say that the country was rightly partitioned. I am particularly referring to the hon. Finance Minister that there has been no difference in Government's contribution during independence as well as slavery. We are in a habit to commend what is bad for the country. I want to read out Parliamentary question and the answers thereto. This question was asked by the Congressman, Shri Kumaramangalam.

[English]

The question was:

"Whether a national Seminar on Patent Laws was organised by the NATIONAL Working Group on Patents in Delhi?

If so, what are the recommendations made at the Seminar and whether the Government have accepted the recommendations; if so the details thereof."

The reply given was:

"The National Working Group on Patent laws organised national seminar on Patent laws in New Delhi on the 22nd November, 1988. The Seminar resolved that the Indian Patent Law act, 1970 in its scope and purpose continues to represent Indian interests and requires no amendment.

(c) There is no proposal to amend the Indian Patents Act, 1970.

On the same subject, there was another question in 1985:

"Whether the Government have a proposal under consideration to amend the pavements Act, 1970 so as to be able to join the Paris Convention for the Protection of Industrial Property, and if so, what are the details."

The answer given was 'No'.

Another reply given in 1989 mentioned. "There is no proposal to amend the Indian Patent Act, 1970".

[Translation]

In 1989, the Government committed before the house that it has no intention of amending the Patent Laws of 1977. In the GATT institution in Geneva, it reverse all its arguments made in 1984 and says that there is no need. But now, it is the opposite and it is being said that it is needed. What are the compulsions?

15.00 hrs.

I am raising this issue because it is a treachery on our country. This is no insignificant happening. The question relates to the country's sovereignty, agriculture, and industry sectors, the values of independence, swadeshi, self-reliance and employment. In 1979, the Government used to talk of making no amendments in the Patent Act and, now, it is talking of amending it. April, 1989 will be remembered as a black day in India's history. Prior to that, they boasted that in GATT they will talk of trade and commerce alone but after 1989 we succumbed to the US pressure of including in it items like agriculture, intellectual property, services etc. The Government will have to State before the House today as to why did this happen and what was the need? Is it in the interest of the country, its Constitution and the crores of the people

[Sh. Rabi Ray]

(1967).”

living here?

[Translation]

When in 1989 the government, in its reply to Shri Kumaramangalam's questions had stated that no amendment will be made, what, then, compelled it subsequently to agree to it? Therefore, I say that April 1989 was a turning point. The Government had decided not to partake in the Paris convention. Three ex-Chief Justices of the Supreme Court of India including Shri Chandrachudji and Shri Hodayatallah had stated that participating in the Paris Convention would mean the death of Indian industry. Now on 15th of the next month, we are going to sign the very same agreement. The views of the Government regarding our participation in the Paris Conversation have totally changed today. Necessitating this discussion over here.

[English]

The Final Act Enbodying the Result of the Uruguay Round of Multilateral Trade Negotiations.

[Translation]

I want to read it out before the House.

[English]

General Provisions and Basic Principles.
Nature and scope of Obligations

“The Members shall accord the treatment provided for in this Agreement to the nationals of other members. In respect of the relevant intellectual property right, the national of other Members shall be understood as those natural or legal persons that would meet the criteria for eligibility for protection provided for in the Paris convention

At that time the Government refused to make any contribution in it on the ground that 1 to 12 provisions of Paris convention are against the interests of the country. As I had told in the beginning that from the view point of the Government, there is no difference between freedom and slavery, at that time Shri Dinesh Singh was the commerce Minister who at present is the Minister of External Affairs. He was predecessor to Shri Pranabji so I would like to know what was the conspiracy behind it and what are the names of those officers who hatched a conspiracy and were briefed in this regard in April, 89. These all points should be clarified. Sir, through you, I demand from the Government to call Shri Dinesh Singh to Clarify this issue and explain those compelling international pressures in which later on he had to send our officers, especially when earlier upto 1989 the Government had making loud proclamations that they would remain firm on the GATT issue. I would like to say that the page which contains the root of this problem should be made public. Today this issue is being debated here so the then Commerce Minister should be called here to unravel this conspiracy. I have drawn the attention of the House towards it.

Mr. Deputy speaker, Sir, I would like to make a mention of some original documents in this regard. I have got some extracts of the speeches delivered by the secretary of Rajiv Gandhi Foundation and Secretary to the Ministry of Finance. I would like to reproduce them in order to asser the truth of my contentions which I have made earlier;

[English]

The background paper on Intellectual

property Rights, standard and Principal concerns and Availability, scope and use if Indian view-dated 27.7.1989.”

15.08 hrs.

[SHRI NITISH KUMAR *in the Chair*]

[*Translation*]

Mr. Chairman, Sir, I was saying that it is a very interesting matter and I am raising the issue of that important conspiracy.

[*English*]

This is the reproduction of the text of the paper presented by Shri A.V. Ganesan, special secretary, Ministry of Commerce at the meeting of the Negotiating committee under the Uruguay Round.

A.V. Gansean, Special Secretary of Commerce of Commerce at the meeting of the negotiating Committee under the Uruguay Round.

[*Translation*]

This background paper was prepared and distributed among all the members of Parliament in the 1989. In this paper, the former secretary to Ministry of commerce has made a contrary argument. At present Shri Ganesan is not in the Government and he is spokesman of the Government for the GATT issue.

[*English*]

SHRI PAWAN KUMAR BANSAL: Sir, I want to mention one thing. A citizen of this country, any informed person or otherwise has a right to write on any subject matter. To call somebody who is not even a member of the Congress Party as the ideologue of the

Government is not fair on his part. (*Interruptions*)

SHRI RABI RAY: I think I am very correct, I do not want to yield to him. I am very correct. (*Interruptions*)

MR. CHAIRMAN: Now he is not yielding. Please take your seat. (*Interruptions*)

SHRI PAWAN KUMAR BANSAL: He is repeatedly using the word 'ideologue'. This could be a point of order also, he is repeatedly using the word 'conspiracy' (*Interruptions*)

MR. CHAIRMAN: I do not think that the word 'conspiracy' is unparliamentary. Why do you bother about it? Please take your seat. (*Interruptions*)

[*Translation*]

SHRI RABI RAY: Mr. Chairman, this debate is regarding the sovereignty of the country. This question is pertaining to the future of the country. I am to contend against the argument given by then Government 2-3 years back in an International Forum. What had been said in 1989 was appropriate for the country. Sir, through you I would like to make my point clear to the common public of this country that the conspiracy to which I am referring is proved by this argument.

[*English*]

He has said:

“At the outset, India would like to point out that the scope of this agenda item is limited to “trade-related intellectual property rights”. For the reasons explained in the paper, India is of the view that it is only the restrictive and anti-competitive practices of the owners of intellectual property rights that

[Sh. Rabi Ray]

can be considered to be trade-related because they alone distort or impede international trade. However, other aspects of intellectual property rights have been examined in the paper since they have been raised in the various submission made to the Negotiating Group and in order to place them in the wider developmental and technological context to which they properly belong."

He further states:

"In the crucial phase of their industrial development, many of the industrialised countries of today had either "no patent" or weak patent standards in vital sectors in order to strengthen their own industrial and technological capabilities. It was only after they attained sufficient strength in these areas that they considered making changes in their patent system. The patent system is an instrument of national economic policy for the industrialisation and technological advancement of a country. In the case of developing countries, it is of foremost importance that the patent system does not block or hinder the building up of their own industrial and technological capabilities."

He further states:

"It is therefore imperative that the protection of the monopolistic rights of the patent owner is adequately balanced by the socio-economic and technological needs of the country. An exclusive and undiluted focus on the monopolistic rights of the patent owner without any regard or concern for his obligations or the possible adverse implications of such protection for the host country will be particularly detrimental to the developmental efforts of the developing countries. Such focus will only widen the gap

between industrialised and developing countries and will be contrary to the efforts being made in other international fora to bridge this gap and to strengthen the developmental process of developing countries."

He further states:

"The question of product versus process patent had been the subject of much debate. Till the mid 1960s and 1970s, the patent laws of a number of industrialised countries allowed only process patent in the food, pharmaceutical and chemical sectors. The present technological strength of some of those countries in these sectors is attributed at least in part to their following only the process patent system for several decades. The development of the pharmaceutical and chemical industries in some of the highly industrialised countries of today owes its origin to their deliberately adopting a legal framework that excluded or limited patent protection for drugs and chemicals."

[*Translation*]

Mr. Chairman, Sir, it is a document of 1989. Bansalji feels proud that India has its say in International Forum. At that time the point of view of India expresses an International Forum shows that it was not our own opinion. This house has to decide the matter. The Minister of Commerce must be knowing about the officers who were briefed on this subject. It must have been briefed to the then Minister of Commerce. What happened to the Government in 1989 and 1994? Today, it is our unanimous opinion that the future of our country is bleak.

East India Company came in India. In comparison to East India Company, institutions like World Bank Company and International Monetary Fund...

(interruptions)... East India Company was forced to quit India by Mahatma Gandhi. At present there is no Viceroy or British Army and even then it seems that we have again become slaves. We have forgotten those slogans which inspired us to confine ourselves to indigenous products and that feeling is gradually vanishing. I would like to know whether the Parliament will remain a mute spectator in such a situation. I would like to know from my colleagues, like Shri Banasaji, the reasons for this change in the attitude of the Government.

Today I was listening the speech of the Finance Minister. He praised the multinational corporations and told us that these are being invited here for the reasons that they possess better technology. I do not know what has happened to him. Most of the multinational corporations belong to America. At present Finance Minister is not here, he has gone outside the house after praising and inviting multinational corporations. I would like to read out opinion of American newspapers, intellectuals and learned people about the characterisation of these multinational corporation:

[English]

"In 1979, the US Department of justice found that of the 582 US corporate organisations more than 60 per cent were guilty of at least one illegal action, including evasion of taxes, unfair labour practices, dangerous working conditions, price fixing pollution and illegal kickbacks. The Harvard Business Review; a publication of the Harvard Graduate School of Business Administration found that corporate ethical practices, poor in 1961 were even worse in 1976 and has only been falling continuously.

The Harvard Business Review survey of industrial leaders showed common

practices like cheating customers bribing political officials, and using call girls for business purpose. Two separate 1976 surveys of corporate executives by companies themselves found that a majority business managers "feel pressured to compromise personal ethics to achieve corporate goals" including selling "off-standard and possibly dangerous items".

[Translation]

This is the opinion of intellectual, learned and impartial people of America about its corporate sector, and our Finance Minister is praising and inviting them in this country. I would like to present his version before you that multilateralism is better because bilateralism is more dangerous. He has said that our opinion about super 301 and Special 301 have changed due to GATT conferences and pressure from U.S. Government. America's efforts have not been futile. Those who knew about the political and economic system of US know it very that corporate sector wields much influence on the polity of that country. America, pressurised India. In 1989 the Government of India mentioned that under this trade policy, all the items and patents were considered as intellectual property. My point is that we will not be able to understand the conspiracy behind GATT, unless we psycho-analyse the pressure that is being exerted on us by the United States. I would like to reproduce the version of America's Pharmaceutical Manufacturers Association in this regard which says:

[English]

"Special 301 Actions during 10 years GATT Implementation period urged by Pharmaceutical Manufacturers Association President, Gerald Mossinghoff in testimony of February 22 before the House Ways and Means Trade Subcommittee. Pressure

should be kept on patent-infring countries, Mossingoff argued, in order to ensure that they continue progress toward improving intellectual property laws during the ten years grace period that developing countries will have under the Uruguay Round of the General Agreement on Traffic and Trade to implement the Trade-related Aspects of Intellectual Property (TRIPs) Provision.

Citing improvements in intellectual property protection around the world which have been achieved by the US applying pressure under the provision of section 301 of the 1974 trade law, Mossingoff argued that it is necessary to find methods to maintain even enhance the effectiveness of section and Special 301 during the ten years delay in implementation period of GATT while PMA supports US implementation of the Uruguay Round agreement, it is on the understanding that the US will vigorously pursue other efforts to improve intellectual property protection in patent infringing countries during the unduly long discriminatory implementation period for pharmaceutical protection contained in the TRIPs text, Mossingoff explained.

Under Section 301 the US Trade Representative annually identifies countries with inadequate intellectual property protections which may become subject to Special 301 investigations. Nations on the Priority Foreign Countries list become the subject of targeted negotiations aimed at improving their laws, and if negotiation do not achieve satisfactory result, the US may impose trade sanctions. The USTR also issue Priority Watch list of countries with lesser violations.

In a February 18 letter to US Trade Representative Mickey Kantor, Mossingoff identified Argentina, Brazil, India and Turkey as countries that are so egregious in their

practices, policies and acts have continued to resist efforts to improve their respective intellectual property regimes, as to merit designation as priority foreign countries.

[*Translation*]

People consider the Finance Minister as a learned man. You were not here in the morning when he told that bilateralism is better. As I have already mentioned it appries if the big leaders of American multinational corporation have ordained their trade representatives to have India in their pockets. As you all know that super 301 has already been imposed on India for stopping the supply of Crayogenic engines. The whole country knows that America prohibited Russia to supply its technology.

The point which have made is that while speaking on bilateralism and multilateralism, the Finance Minister has deliberately mislead the House and the country by stating that since we have accepted GATT, there will be no need to impose Super-301 on us anymore. In fact US has declared that they would impose it aganist Japan whereas in case of India a threat to this effect had already once been given. It is correct that we were given benefit of doubt and now Super-301 will not be imposed aganist us for their own petty interests. But as we all know America is America and it can take recourse to any measure in its own interests. But our Government never work in the interest of our country. The problem with our Government is that they are more concerned about the interest of America. So I would like to say that the mention of multilateralism and bilateralism by the Finance Minister is baseless. America is in a mood of retaliation aganist India and even if the Indian Government lies prostrate at their feet as a gesture of complete surrender, it can not deviate them from their present policy.

I would like to say something about the impact of multinational companies on the countries of Third World where these have been set up. Its outcome were starvation and monopoly. I am raising this issue to bring its repercussions in the notice of our Members of Parliament. Fifteen-sixteen years ago, there was democratic Government in Chile and Shri Alinde had taken over as elected President. Shri Alinde was a renowned revolutionary CIA? Pepsi-cola and several other multinational companies hatched a conspiracy against him. In his manifesto, Shri Alinde promised for nationalisation of copper mines of the country. In the wake of this promise America thought how it could take place in presence of American multinational companies in Chile. Thus before it could be implemented Shri Alinde was murdered in Presidential palace. In India also a multinational company was responsible for Bhopal gas tragedy. Its managing director is safe in US under the protection of Bill Clinton. Chief Judicial Magistrate of Bhopal has ordered to produce him before the Court. Indian Law also demands for presentation of Anderson, the Chairman of Union Carbide before the Court. It has been told that CBI is investigating into the matter. I would like to know whether CBI will be able to investigate into it. Union Carbide already has killed and maimed thousands of people. In spite of all this, Finance Minister is repeatedly telling us that multinational companies are working in several fields in our country. But I would like to say that multinational companies have ruined the countries where they were located but the Government of India is taking them for harbinger of prosperity.

Mr. Chairman, Sir, for the information of the hon. Members I would like to tell one more thing. There is a book titled 'Enough is enough' written by Shri Daviske L. Budo, who belong to the third world. In this Book

contains a letter written by the author himself to Shri Camdessus, the Chairman of IMF, at the time of his resignation from IMF after serving for long eleven years. This letter is quite lengthy but I would like to read out few sentences which reveal the works that are being done by multinational companies and International Monetary Fund in the Third World Countries... (*Interruptions*)..

[*English*]

The name of the book is 'Enough is enough' It is written by Mr. Davison L. Budhoo. I am reading an extract of a letter written by Mr. Divison L. Budhoo, to Mr. Camdessus, Managing Director, International Monetary Fund, which as follows:

Today I resigned from the staff of the International Monetary Fund after over twelve years, and after 1000 days of official Fund work in the field, hawking your medicine and your bag of tricks to governments and to peoples in Latin America and Caribbean and Africa. To me resignation is a priceless liberation, for with it I have taken the first big step to that place where I may hope to wash my hands of what in my mind's eye is the blood of millions of poor and starving peoples. Mr. Camdessus, the blood is so much, you know, it runs in rivers. It dries up too; it cokes over me; sometimes I feel that there is not enough soap in the whole world to cleanse me from the things that I did do in your name and in the names of your predecessors, and under your official seal.

[*Translation*]

I have read it out so that hon. members could know that IMF, World Bank, Asian Development Bank and GATT etc. are the puppet organisations with their strings in the hands of G-7 countries and through them

[Sh. Rabi Ray]

they are exploiting the countries of the Third World like India with the sole intention to ruin them ultimately. We are feeling victims to their evil intentions due to our own Government.

Mr. Chairman, Sir, today while coming to the Parliament, I have read one more sensational news published in 'Hindu' in which vice-president of Bar council has express his doubt that then American people in legal professions will open their offices in this country and he has demanded from the Government not to take all the foreign things as best under the policy of globalisation, I would like to know whether the Indian products and human beings are inferior to anyone. Why our intellectual property is being smashed and integrated. We should be cautious of the powers active behind this conspiracy. Only erudite knowledge on this subject will not work instead we should develop our own convictions in this regard.

Earlier Mr. Bush used to say about it, Now Mr. Clinton says it. We should first understand their mentality and their philosophy, only then we will be able to finally understand the GATT treaty. Yesterday one hon'ble Member told us how the President Bush used to manoeuvre things to control the world and there was no difference between Clinton and Bush. Shri Bush had said in a Statement:

[English]

"Mr. Bush, during a ceremony for world trade week, said concluding the Uruguay Round of talks under the General Agreement on Tariffs and Trade was his top trade priority for this year.

Mr. Bush said a successful GATT

agreement should:

- reform agricultural trade, which is inadequately covered by GATT rules and is distorted by trade barriers, subsidies, and supports. We need fundamental agricultural reform, he said.
- expand market access, by sharply reducing tariffs.
- curb trade distorting government subsidies.
- ensure that its rules apply to developing countries as well.
- develop fair rules for the new trading areas not now including in GATT-services, investment and intellectual property, and
- contain an effective means for resolving trade disputes.

Mr. Bush called on US trading partners to work toward moving the GATT talks forward during the meetings of the Organisation for Economic Co-operation and Development next week in Paris and during the economic summit of the seven industrial nations Houston in July."

[Translation]

It was my opinion that it is a real thing, we should understand it and study all aspects that the way the GATT treaty is going to be signed in this country, it is going to land us in deep trouble. We would not be able to understand the main thing if we neglect this aspect as how our culture is being invaded and the Government has become a silent spectator. In a reply to my question it had been said:

[English]

"(a) whether the *Financial Times of London* has entered into collaboration with the *Anand Bazar* group of papers:

(b) If so, the details thereof;

(c) Whether joint venture company has been incorporated in India by these two newspapers;

(d) if so, whether this company has sought the permission of the Government to start their publications soon;"

'.....(Interruptions) It is being speculated in the country as to whether the branches of foreign news-papers will function in India. Our intellectuals are objecting to it and complaining that the Government is not coming out with a classification as to what is being done. It was stated in reply to my question:

[English]

"A proposal for setting up of a joint venture company, "The Financial Times of India Private Limited" between *Anand Bazar Patrika* Limited and the *Financial Times* Limited of U.K has been received by the Government for publication of a financial daily. Permission for setting up so such a company has not so far been granted by the Government."

[Translation]

The Government is not giving a straight answer. The policy in 1995, at the time when Pandit Jawahar Lal Ji was the Prime Minister, was not to allow foreign news-papers in India. I want that the Government should stick to that policy but *Anand Bazar Patrika* would like to collaborate with 'The Financial

Times' of London. At present, the Government is not saying it specifically but it is possible that they can collaborate in future. I would like to warn you that it is against the Articles of the constitution. Our newspapers reflect our culture and thus, the foreign news papers are not meant for India.

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI MOHANDEV): Shri Chitta Basu has burnt one lakh copies of *Anand Bazar Patrika*.

[English]

SHRI CHITTA BASU (Barasat): I have done the right thing.

[Translation]

SHRI RABIRAY: The Parliament should take a decision today. Are we going to follow the beaten path and just keep on delivering speeches while we all know as to what the hon'ble Minister is going to do. We should be told what is proposed to be done by the Central Government in the Ministerial meeting which is going to be held in Morocco on 15th April. So far, the attitude of the Government shows that despite the objections raised by the Indian people it is going to pledge the sovereignty of our country by over-looking our legacy of Independence, self-reliance and employment.

15.41 hrs.

[MR. SPEAKER in the Chair]

I would like to tell the Members of the Congress Party that before taking any decision we should keep the future of our country and the values of the constitution in view and act on the basis of a national consensus.

[Sh. Rabi Ray]

Mr. Speaker Sir, I would like to ask you the basis on which we are going to take the decision. The discussion on it will end today evening. No wise person, who loves his nation will ever say that GATT treaty and the final Act embodying the results of the Uruguay Round of multilateral Trade Negotiations are in the interest of the country. When these are not in favour of the country, then, why should the Government sign it. They should not do it. But we are unable to solve this mystery that why the Government is committed to support it. We have a democratic set up in the country. We would not be able to satisfy the queries of our people outside the Parliament. I do not understand as to what we are going to do. When we visit our constituencies what message we will take from the Parliament? So my suggestion is to not sign it at all. But everybody knows that it will be signed by over-looking our discussion.

The Government should tell us what amendments are proposed to be made in the Patent Law of 1970? We know that the Government is committed to amend it. The Government has no logic what so ever to say that the Patent Law of 1970 is against the nation. The government would move a motion before us to amend it.

I would urge upon the Congress Members that they should unanimously refuse to accept any amendment in the Patent Law of 1970. The world will get the message that the Patent Law of 1970 is in the National interest and in the interest of the people. It is looking after our intellectual property rights and our pharmaceutical industries, we will not amend it. If our Parliament refuses to do it then maybe 117 countries of GATT would also follow the suit. I am putting this concrete suggestion before

the House through you. The House should be unanimous on it and GATT which would turn into TWO may consider not to amend it when the Parliament of India has rejected it.

Mr. Speaker, Sir, I demand with all my heart that this agreement should not be signed. I thank you for allowing me to speak.

[English]

MR. SPEAKER: I think the time available for this discussion is limited and many points have been made. If we can take a little less time, it will be helpful. This is applicable to all and not so Shri Bansal only.

SHRI PAWAN KUMAR BANSAL: I will respect your observation. But kindly do not put the patent on this case.

MR. SPEAKER: If you have any mechanism to extend the time, then it is all right.

(Interruptions)

SHRI PAWAN KUMAR BANSAL: Mr. Speaker, Sir, the debate which should have, in fact, focussed on the need to evolve a strategy for deriving the maximum benefit from and to minimise any unfavourable impact of the Final Act. Embodying the results of the Uruguay Round of Multilateral Negotiation has, in fact, been reduced to rhetoric against the Government policies. Alleging that the country's economic sovereignty has been surrendered, a preposterous parallel has been sought to be drawn between the situation that prevailed in the country several centuries back forgetting that at that time we lacked the strength that the country has today, the strength that has been built up during the long-drawn freedom movement and consolidated during the last 47 years.

In 1986 the Uruguay Round of talks began. Since then, we have had four Governments here—two of the Congress and two of the non-Congress. But there has been element of continuity in our approach to the talks. Today Shri Chandra Shekharji or the fellow travellers of Shri V.P. Singhji may not own up that. But we, on our part, do it because we are convinced that that was the right path for the country to follow. Shri Rabi Rayji referred to an article of Shri Genesan of 1989 and also to his recent article to point out, to allege some sort of conspiracy in the final outcome of the Uruguay Round.

With all humility I would in fact like to say that the views expressed by Shri Ganeshan in 1989 go to prove that our negotiating team did its best to derive the maximum advantage for the country. Obviously we were at a platform when 177 other countries were trying to derive some little advantage and in a situation as that, the final outcome could not have been to the total advantage of any one party. Understandably it is not open to member-countries today to pick and choose certain parts of the Final Act.

In this perspective I would like to say that the cacophony of protests raised by the Members of the opposition in fact lead one to believe that more than altruistic purposes, it is political considerations which has prompted such actions. A fear is generated in the minds of the farmers that GATT would spell disaster for them. That the existing subsidies to agriculture would be withdrawn or slashed. This is a travesty of truth. I did want to refer to some salient features of this. But in view of your observation, I would like to skip over those except to say that the reference made by Shri Jaswant Singh yesterday about the land revenue, about certain loans etc. is not very apt. Given the

wide gap between the subsidy that we provide to our farmers today and what we can really provide to them in view of the permissible limit of the GATT, any amount of waiver of revenue would not just make any difference whatever in the situation. As far as the loans are concerned, my humble submission is that these do not come within the domain of the term subsidy.

The clause relating to minimum market access commitment has also been misinterpreted to simulate a fear in the minds of the people that our country would be flooded with foreign goods. Here there is again a major fallacy in the approach adopted by our friends on the other side because such a provision would not force the Government to go in for any sort of compulsory import. Such averments in fact betray, I would say, the lack of proper appreciation of the Final Act.

On the PDS I would seek your indulgence to just refer to what Shri Jaswant Singh said yesterday quoting from the report or the departmentally related Committee on Commerce. I quote: "The Committee is of the view that a clear understanding must be obtained from the GATT Secretariat that our PDS will not be affected in any way presently or in future."

This is precisely what has been done. Elaborate references were made to by Shri Manishankar the footnotes attached to the relevant provisions in the Final Act to say that under no circumstances would our PDS suffer. In any case the subsidy that goes on the PDS, we must all appreciate, is not an agricultural subsidy, but a subsidy to the consumer. I feel when we refer to the various provisions in the GATT that an opportunity is being offered to us today to make our products competitive in the world market and enhance our exports. Prices will become

the best incentive for our farmers.

In that event, a little more that a farmer may have to pay for the new variety of seeds, will significance totally. The shrill voices that we hear about the farmers losing their right to retain part of their harvest for subsequent crops is totally misplaced. I wish to refer to this because a lot of confusion was sought to be created today morning. But I would only like to say one sentence on this that I only wish that we appreciate the distinction between the certified seeds and the crop. It has been made amply clear by the Government that the traditional right of our farmers to preserve part of their harvest for subsequent crops, to exchange the same or to sell that, would just not be impeded. This right would not be tampered with at all.

Shri Rabi Ray like many other hon. Members was referring to the clause relating to *sui generis* and was expressing an opinion that there would be no alternative for our country but to go for the 1991 version of the UPOV Convention. If you go through the Final Act, you will find that wherever there is an intention to invoke any of the international treaties, a specific mention to three such treaties has been made. In this case, there is no mention whatsoever to UPOV and it will be farteched to say today that our *sui generis* system will have to follow the 1991 version. I agree that it has to be an effective one to strike a balance between the plant breeders' right and the same time to preserve the legitimate rights of the farmers and the researchers. But if a situation like that arises, if a charge is made, then only the question would arise and then only, a decision would have to be arrived at, as to whether the law is effective or not. Today, to take up that issue, I would say with all humility, would only create doubts in the minds of people. As was said earlier, it would tend to demoralise our people if we lead them to

believe that the effect of GATT can be shattering on our economy. It would not really be the situation and it would not reflect the ultimate gains that we are likely to get from this Agreement. I agree with Mr. Rabi Ray that we will have to amend our Patents Act of 1970. But when he referred to the replies given by the Government in 1989 and 1985 to say that there was no proposal to amend the Patents Act, I find no fault with these because that was the position at that time and we could not visualize many years back as to what would have been the final outcome of the negotiations and what sort of amendments we would have to make in our Act.

The world view today is that we have practically no patent law, particularly in the fields of foods, pharmaceuticals and chemicals. Sir, it is common knowledge that hundreds and crores of dollars go into the making of one new molecule. And Sir, a period of 20 years is provided for the patent's duration, there is nothing harsh on our people because it takes more than 10 to 12 years for a molecule to travel from the laboratory to the chemist's shop. We know that there are provisions and there is scope for us to go in for compulsory licensing on the merits of a particular case and even to go in for non commercial production of various drugs for free distribution in our hospitals.

Sir, by opposing these provisions, I fail to understand as to what they really want to convey to the world.

16.00 hrs

Do we want to tell them that though we boast of the best brains, talents and human resources yet we oppose the right of others to seek recognition and reward for their original research? Do we only want to tell the world that we advocate piracy in the

field? Sir, I was started yesterday to hear Shri Jaswant Singh. He referred to the question of patents by saying that this is blatant and brazen intrusion in our sovereign economic field. With utmost respect I would say that the Agreement on TRIPs would apply to all those inventions, to all those new drugs for which application is made after the Agreement comes into force. It means that for ten years the practices that we follow today, we can continue with that.

Sir, I would not touch any other sector though I did wish to because of the time warning given by you. But, I must, with all humility, dispute the claim of Opposition that by becoming a party to the new Agreements or even the proposed World Trade Organisation, there has been any compromise with national interest, any compromise with to nation's sovereignty, economic or otherwise. It was sought to be made out yesterday and today during the debate that the Constitution of India will be impaired thereby. Such opinion, with uttermost respect I would say, is unfounded and not called for.

Sir, Article 253 of the Constitution of India would continue to be interpreted as it has been during the last forty years. The States will lose no Constitutional right much less that under Article 162 because of the Uruguay Round. I do not know on basis a theory is propounded that the Government of India will impair the ability or the capacity of the States to preserve, to safeguard the interests of the farmers and that of the workers such. The hon. Minister for Finance referred at in length to this aspect and I would not like to dwell on that again but all that I would like is to seek your indulgence to submit that our obsession to criticise the Dunkel Draft, the GATT and Government has in fact deflected us from the need to ponder over the emerging economic

scenario in the world and to see as to what responses we have got to evolve to meet a situation as that. Raising, doubts without basis will only have the portents of retarding our progress. Viewing the GATT in its totality, it places us in a position of more gains than losses far from impinging on our sovereignty. It offers us new opportunities in the fields of textiles, seeds and biotechnology. With reduced tariffs, we can enhance our exports of bulk drugs and chemicals.

In today's world with hitherto unknown rate of advancement in science and technology and competing economic interests, we cannot hope for benefits from harping upon irrelevant theories. We must respond to the changing realities of the world. We must not remain ensconced in a fragile shell of fear from competition. We can derive advantage only from our economic strength. That we must very well understand. If we wish to stand up firmly and proudly in the comity of nations, we have to meet new challenges and seize new opportunities thrown up by the GATT. Sir, the present technological gap between (Interruptions)

MR. SPEAKER: Mr. Bansal, we are expected to complete the discussion by 6.00 p.m.

SHRI PAWAN KUMAR BANSAL: May I just say the last sentence?

MR. SPEAKER: Yes.

SHRI PAWAN KUMAR BANSAL: Thank you very much.

MR. SPEAKER: I really thank you Mr. Bansal.

16.05 hrs

STATEMENT BY MINISTERS

(i) **Alleged Deal with LTTE**

THE MINISTER OF HOME AFFAIRS (SHRI S.B. CHAVAN): Yesterday, references were made in this House of an article entitled "Playing with the Tigers" published in the SUNDAY magazine of 27th March, 1994. I have gone through this write up, which was contradicted by Government on 28th March, 1994. Briefly, the story alleges that R&AW had established contact with the LTTE to secure some sort of guarantee for the Prime Minister's security during his recent visit to the United Kingdom and that some kind of deal was struck with the LTTE that the ban on its activities will be lifted by the Government of India.

I would like to categorically state that the said article is entirely baseless and totally mischievous. No deal has been struck with LTTE. The unlawful activities of the LTTE continue to be banned. There is just no question of Govt. lifting the on any organisation including the LTTE, whose activities continue to be unlawful. (Interruption)

[Translation]

PROF. PREM DHUMAL (Hamirpur). Mr. Speaker, Sir, a very tragic incident has taken place in Srinagar. The Government should be directed, before the House is adjured for the day, to tell something about it. (Interruptions)

[English]

SHRI CHETAN P.S. CHAUHAN (Amroha): A Major General and some senior officers have been killed yesterday, it

is a very serious matter. It is a question of the security of the country.

[Translation]

MR SPEAKER:- Since you were not present in the House and thus, have not heard what I have said, than the House is not responsible for that. They have already been asked to give a statement.

[English]

SHRI C. SREENIVASAN (Dingigul): I would like to know from the hon. Home Minister the position about the ban on the LTTE. What about the ban orders on the LTTE?

THE MINISTER OF HOME AFFAIRS (SHRI S.B. CHAVAN): If the hon. Member goes through the statement, he would be able to understand the meaning of the statement. My only problem is that there is a tribunal which has been constituted, which is going to look into the matter whether sufficient material is there at the disposal of the Government for declaring an organisation as unlawful. It all depends on the material that we get from the State Government. (Interruptions)

MR. SPEAKER: This is not done in this House. We do not allow any clarifications to be sought.

(Interruptions)

MR. SPEAKER: Please take up your seat.

16.00 hrs

DISCUSSION UNDER RULE 193

Final Act Embodying the results of the Uruguay Round of Multilateral Trade Negotiations Contd.

MR. SPEAKER: Now Shrimati Malini Bhattacharjee may speak.

I would like to let you know that the CPM was given 45 minute's time and the CMP has consumed already 58. What is being given to the members of the CPM is something more than what was due to them. Out of 12 hours, time is allotted to the parties on the basis of the proportion of their number in the House and according to that formula you could have got 45 minutes. The Members have spoken for 50 minutes.

(Interruptions)

MR. SPEAKER: Are you ready to sit later in the night? I can appreciate your concern for speaking on this issue. But we would expect you to speak on the subject and not to repeat the points which have already been made. By repeating the points we are not gaining anything at all. If there are any new points you are welcome to make them. But if there are no new points please do not repeat the old ones.

SHRI PAWAN KUMAR BANSAL (Chandigarh): On one subject the points need to be repeated.

MR. SPEAKER: That is not the rule. Then you will require unlimited time.

SHRI PAWAN KUMAR BANSAL: The total time should be fairly divided to every Member, according to the Party time. I suppose, it can be done.

MR. SPEAKER: Your Party has got more time than what was allotted. If you want calculations, I can show them. Do not feel hurt about it. If there were any new points, I would have allowed you.

[Translation]

SHRI NITISH KUMAR (Barh): Mr. Speaker, Sir, it all depends on the person

who is speaking. He can present the same point in a way so as to make it sound like a new point.

MR. SPEAKER: Nitish Kumar ji, I am speaking for you only. Then you will ask for some time and I will not be able to allow, because, you speak on behalf of both the sides and it is not possible. You want more time and still want to stick to rules, both these things cannot go hand in hand.

SHRI NITISH KUMAR: We are the people who complete the quorum.

MR. SPEAKER: It is a good thing.

[English]

SHRIMATI MALINI BHATTACHARYA (Jadavpur): Mr. Speaker, Sir, I will start by thanking the two Ministers who have opened their mouth today, for opening their mouth, although it comes at a very late stage. Because initial signatures to the Final Act were put on the 15th of December. After that January has gone; February has gone. We have crossed the sides of March and now we are moving towards All Fools Day. We should take care that 15th April does not turn out to be All Fools Day for India. The Government has not yet clarified of its own: whether even the small advantages which they had demanded in paper given by the Commerce Ministry have been gained. We feel that there is space for struggle; there is pace for firmness even at this final stage and we would like a message to go from Parliament to the nation that there is still resolve in the Government to at least to lift one little finger to protect the sovereignty of the nation.

The Government has never spoken its mind on this issue expect when it has been

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pressurised. I feel highly complimented that the hon. Finance Minister in his red bashing expedition has thought it fit to say that it is the Communists or the Stalinists who have been leading the opposition against this accord. But I cannot claim so much for my party or for the communists because we find that even apart from the Left Opposition in Parliament, other Opposition Parties are also against it. Also a very strong opinion outside Parliament has developed against the GATT accord. It has come from economists; it has come from jurists, scientists, technologists with no ideological axe to grind. The opposition against this accord has not only come from the people from this country but it has come from the people in South Korea, Japan, Mexico on whom as far as I know, the influence of the Communists is very small. The CSIR journal, as far as I know, is not a journal run by the Communists. Yet in its Special issue of April, 1993, it has expressed severe reservation about the clauses of IPR. It has described those as an attempt at recolonisation. The Standing Committee on Commerce has given its verdict against this Dunkel Draft.

I am quoting the views of another Committee also which says: "This Committee feels that if the Dunkel proposals relating to drug industry are accepted as they are at present, this could adversely affect the indigenous drug industry." This is from the Report of the Committee on Chemicals and Fertilizers of which Shri Srivallab Panigrahi was the very able Chairman. Of course, he has been trying to live it down very desperately since that time. What we want to know is whether the Final Act has achieved anything that changes the situation and can relieve the apprehensions which have been

expressed by so many people. But all that we are having from the Government side are these DAVP booklets in green and yellow cover just like the Dunkel xrayed that was published immediately before the Assembly election in the four States. It seems that the DAVP booklets which contain misinformation and no information are a kind of an election exercise. There is no serious assessment on the part of the Government. This is what we protest against.

For a moment, let us look at the whole question from the other end. Instead of persuading us, instead of trying to persuade the nation about the merits of this Accord, the Government should try to persuade those with whom it is sitting across the table and if the small advantages which have been proposed in the paper of the Commerce and Industry Ministry are not gained, let us not give the final signature of approval to the Accord. No one can chuck us out of the GATT. When the countries belonging to the European Community were bargaining with the USA and in consequence the conclusion of the discussion was delayed, were they chucked out? Then, why should we be chucked out?

The Finance Minister has given a kind of a philosophical background today to this GATT Accord. This philosophical background is very familiar to us. In fact, it comes down from 18th century political economy. The State of nature versus social contract argument - that is what he has been giving. In a contract, unless both the parties gain something, there is no sense in a contract. However, just as in the 18th century the concept of social contract was heavily biased on behalf of a certain class, similarly in Shri Manmohan Singh's concept of social contract also we find that the contract is heavily biased on one side.

The Final Act is supposed to offer opportunities for us to become a major player in world trade. It is supposed that this Accord would give a boost to our exports particularly the agricultural exports. Now, I would like to ask one question. There is a study made by the World Bank - OECD. Here, we are told that the global income in the next eight years, as a result of the trade agreement, would shoot up to \$ 213 billion. However, out of this increase, certain countries would have the lion's share. West Europe would have \$ 80 billion; the United States - \$ 25 billion; Japan \$ 20 billion; China \$ 37 billion; South America only \$ 8 billion whereas the African countries would have a negative of \$ 4 billion. they would lose \$ 4 billion.

India's share in this, according to this study, is 4.6 billion dollars which is something like Rs. 15,000 crores. Shri Manmohan Singhji can enlighten us, Shri Pranab Babu can enlighten us: Will not this increase happen in an way even if we do not enter GATT accord, if the present growth rate in export continues? According to the claims of the Finance Ministry, his growth rate in the present year is 19 per cent. Now we need only 2.5 per cent growth in order to gain what is being projected by this GATT treaty. Is it for such a small gain that we are going to barter away our sovereignty that we are going to barter away our principles of self-reliance? This is a very small question I would like to ask both the Finance Minister and Pranab Babu.

MR. SPEAKER: I would like to remind you that that is a repetition 'sovereignty is bartered away' is a repetition.

SHRIMATI MALINI BHATTACHAIRYA: The report that I referred to, I hope, is not a repetition.

Look at the Multi-fibre Agreement. Even apart from the factor of back grounding due

to which India's gains will be delayed. In fact, this remains in the Final Act in spite of whatever efforts have been made by us, but apart from this factor backloading, is it not true that products which have not come under the MFA earlier are now being added to it? I would like to be enlightened on this point. In this text, there is a list covered by the MFA. Item numbers 6204.13, 6204.33 and 6204.53 about unknitted synthetic fibre whether these are with the MFA surreptitiously, quite in very recent times. This is a kind of straight of hand and if such additions are made, we suspect that we will not make any gains even after ten years.

Shri Mani Shankar Aiyar in his brilliant speech where he made us much as he could of a bad case spoke about the Aggregate Measurement of Support (AMS). In fact he tried to make out as if with aggregate measurement support reduction on product specific subsidy and non-product specific subsidy are no longer going to be there. It is not that. The AMS does not exempt these subsidies but includes these calculations in aggregation. He thinks, this is in our interest, this change is made for us. I would like to submit that as a matter of fact, this is a double-edged weapon and the developed nations have much more to gain from this aggregation as they have more subsidies and more variety of them.

This point has been dealt with by Shri Rupchand Pal and I would not like to go into the details. Again we have always disputed the Government's claim that the Dunkel Draft will have no effect on food subsidy. Shri Aiyar obviously had some qualms about this unlike the hon. Finance Minister because he was visibly relieved when he found that in the Final Act, some modification has been made to the draft in a footnote.

In fact there are two footnotes and Shri

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Mani Shanker Aiyar referred to only one. He referred to this footnote and said this shows that we do feel concerned not only for the rural poor but for the urban poor also. That is very gracious of Shri Mani Shanker Aiyar and of Mr. Peter Sutherland and Mr. Dunkel. However, this is that part of the text which deals with exemption for Government stockholding for food subsidy. It has a proviso. The first footnote has a proviso which has not been mentioned by Shri Aiyar. What is that proviso? This proviso is that the Government stockholding programmes for food security purpose will come under exemption as also programmes under which stocks of foodstuffs for food security purposes are acquired and released at administered prices provided that the difference between the acquisition prices and the external reference price is accounted for in the AMS. That difference then becomes a component in the clause for beside restriction of which AMS is the basis which means that when the extent of subsidy is calculated this will be included. So, in other words, indirectly food subsidy is being brought within the ambit of reduction commitment.

The second footnote to which Shri Mani Shankar referred is the provision of foodstuffs at subsidised prices with the objective of meeting food requirements of urban and rural poor in developing countries on a regular basis at reasonable prices. This in fact embodies the so called targeted approach to PDS, the efficacy of which has been combatted by economists of such eminence as Shri Amartya Sen. Food aid, with so called nutritional objectives, are very often based on criteria which deprive large sections of the needy and push those who live along the poverty lines, who however along the poverty lines downwards. As a

matter of fact, we find that the Government has gone ahead of the Final Act by bringing in new food policy in which this targeted approach is embodied.

The question that I want to ask is what will be the criteria by which we will determine who the poor are. These criteria, if they are according to international standards, can be quite arbitrary. India from being a poor nation is now moving upwards becoming a rich nation. Party in power these are arbitrary criteria which can change and as a result of that large sections of people who really need this public distribution systems are likely to be deprived. Here I am quoting, not from the writings of any Leftist economist; I am quoting from the 1994 paper written by Shri A.V. Ganeshan. This is not the 1989 paper; this is written in 1994. See what kind of apprehensions Shri Ganeshan is expressing here. He is talking of the transfer of capital to the rural sector. I would quote from Page 12.

Mr. Ganeshan says that there will be growing pressure from the farmers to realize higher prices for their produce and to narrow the gap between domestic and external prices. Along with these price incentives and enhancement in production, the rise in domestic prices would, on the other hand, put pressure on the Public Distribution System and accentuate the problem of food subsidy. Further more, the freedom to export agricultural products without restrictions will also need the shedding of long-nurtured inhibitions against their imports. What does this mean? Mr. Ganeshan is talking about the so called export oriented economy. Earlier we had produced for our consumption and then exported the surplus. But now the pattern of production itself will change. Even as the domestic prices of foodgrains will be rising we will be producing and exporting more and

more cash crops and importing foodgrains. This is something that the other speakers have also referred to. Growth in floriculture and horticulture is very good. But when that happens more and more, there would be the pressure of compunction and it is likely that these cash crops will replace the food crops. If rice production is enhanced, it will be Basmati for export, rather than the ordinary varieties of rice to feed our own people. Since, we have no control over international pricing, if prices are increased and if stocks are held back, import dependent countries will ultimately face famine. This has also been referred to by others and I will not go into it. I may mention the famine in Bengal in the 18-19th Century and we are also aware of the famine faced by the Sub-Saharan countries in the recent past. We are told that technology import is essential. Knowledge gap is said to be the real gap between the rich and poor countries and we are told that just because we are underdeveloped countries, we need not have underdeveloped science. In fact, the Finance Minister has made a rather objectionable reference to second class and third class technologies in our country. I do not deny that in some areas technology is a first class technology. We find that our pharmaceutical technology is being run down as an imitative technology. Finding a substitute through indigenous process for a particular product is, in fact, not an imitative technology. It is a highly innovative technology. But this is being run down specifically to encourage the multinationals.

I would like to give just one example.

MR. SPEAKER: Madam, the time is over. I have given you more than 20 minutes.

SHRIMATI MALINI BHATTACHARYA: Please Sir, allow me to speak for some more time.

MR. SPEAKER: Your party was given 45 minutes. The hon. Member who spoke earlier consumed 58 minutes. Over and above that, you are given 20 minutes. There are a lot of other Members who want to speak.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): If you are considering my name in your mind, I am ready to sacrifice my time for her.

MR. SPEAKER: The time to your party is already over. It is to be decided among yourselves as to who will be the speakers. Your name is not with me and nor am I going to give any time to you. You want to sacrifice something which you don't even have!

SHRIMATI MALINI BHATTACHARYA: The Department of Serologists and Chemical Examiners of the Ministry of Health which is situated in Calcutta has been producing various antisera for forensic and medico-legal tests. They are also producing VDRL antigens for diagnosing venereal diseases. These products are certified by the WHO to be of the highest quality. They are earning revenue and they are saving precious forex. But suddenly by some mysterious order of the Government, 33 posts have been scrapped of which 24 are technical posts. This will cause the Department to be closed down and we will have to go in for imports.

So, who are benefiting? It is the multinationals who are benefiting at the cost of the indigenous research and development at least in this case. Sir, what we are having is import or unsold finished goods rather than technology. The opening up of the sky has shown this. In electronic media, our technological infrastructure is being used for readymade software. Doordarshan is being flooded with such things. Similarly in pharmaceuticals the transitional corporations

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have, for a very long time been violating our laws regarding the working of the patents. producing a part of patented goods in countries where they are to be sold. But they have been importing surreptitiously.

MR. SPEAKER: Please conclude now. I am sorry I have to say this thing but then I have no other option.

SHRIMATI MALINI BHATTACHARYA: Sir, if you do not give me time, I will sit down without completing my argument.

MR. SPEAKER: I have no option. You do not have time.

SHRIMATI MALINI BHATTACHARYA: I have an argument.

MR. SPEAKER: You know that other also have their points to make.

SHRIMATI MALINI BHATTACHARYA: I am not taking the time of others. I have been waiting since yesterday.

MR. SPEAKER: You may be waiting but your party had been given some time. You have taken double time that was given to your party. You should share the time between your Members.

SHRIMATI MALINI BHATTACHARYA: If you allow me another ten minutes, I will be satisfied.

MR. SPEAKER: No, it is not possible. Please conclude now.

We are expected to speak on this draft but we are speaking on everything which can be discussed. How can we continue doing that?

SHRIMATI MALINI BHATTACHARYA:

In the limited time, you cannot go on quoting the opinions expressed by people outside. You have to talk on these things.

SHRI SAIFUDDIN CHOWDHARY (Katwa): Even the GATT Treaty has concluded, let her also conclude her speech!

MR. SPEAKER: Well, I would go by Mr. Saifuddin's advise.

SHRIMATI MALINI BHATTACHARYA:

Sir, the Clause on Sanitary and Phytosanitary Measures is another very controversial area. Sir, I am referring to the Text now. Just as visa restrictions in the case of personnel, these Sanitary and Phytosanitary Measures are going to be like hurdles which may be put to the entry of our products in the developed countries and so far as our side is concerned what we are having today is the import of wastes rather than technology, all kinds of wastes. Chemical waste is being dumped in our country. Let this Clause on Sanitary and Phytosanitary Measures be used against the dumping of these wastes.

Sir, I will now make my last point which is on *sui generis* system. On the *sui generis* system, there has been a Draft Bill. It is true that in the Preamble of this Draft Bill, there is much talk of public interest, framers and researchers, rights and reciprocal rights. But the question that I ask—because this is a confidential document, I cannot go any further is this. Are there Clauses in this Bill to enforce it? We find that there has been a debate about this *sui generis* system. There has been an Article by Mr. Peter Sutherland in *The Times of India* which talks of this flexibility in accepting a *sui generis* system which will be our own, which will not refer to either UPOV-78 or to UPOV-91. This is the question that was being asked earlier also whether it would be an effective system of

sui generis. This is the whole question and whether it will be considered effective by the International community.

MR. SPEAKER: But we will decide in the Parliament later on.

SHRIMATI MALINI BHATTACHARYA: Mr. Sutherland says that the international community is not interested in across-the-fence sale. That is why the farmers will continue to sell their product across the force. Are we to believe this?

MR. SPEAKER: That point has already been covered. You please conclude.

SHRI SAIFUDDIN CHOUDHURY: We have got the reply from the Agriculture Minister. If they do not accept it, we will come out of it.

MR. SPEAKER: That is not the Government's reply.

SHRIMATI MALINI BHATTACHARYA: There was a direction from the Chair.

MR. SPEAKER: That point was very much made clear at that time itself.

SHRIMATI MALINI BHATTACHARYA: Please let me complete.

SHRI CHANDRA JEET YADAV (Azamgarh): Sir, please do not say that this will not go on record.

MR. SPEAKER: I am saying it because it should go on record.

(Interruptions)

MR. SPEAKER: I cautioned the hon. Minister to consult his Cabinet and then

react here.

SHRI CHANDRA JEET YADAV: But when a Minister speaks here, he speaks on behalf of the Government. He represents the Cabinet. (Interruptions)

You may caution a Minister.

MR. SPEAKER: Let me be very clear. We do not want anybody to make any statement in the House without applying his mind or at the spur of the moment and then act upon it. We will give them a chance to consider it and they can make considered statements. If the Minister says that it is the view of the Government, anyway, they will be bound by it.

SHRI CHANDRA JEET YADAV: Do you mean to say that he did not apply his mind to it?

MR. SPEAKER: No more discussion on this may be continued, please. (Interruptions)

MR. SPEAKER: No more discussion. You can apply your own interpretation.

SHRIBHOGENDRAJHA (Madhubani): How can you say that that the Minister speaks and we may apply our own interpretation to it?

SHRIMATI MALINI BHATTACHARYA: I want a clarification from the Chair.

MR. SPEAKER: Already 58 minutes time is over. Please do not take more time. You do not have to seal any clarifications from the Chair. Whatever interpretation you want to put on what is said on the floor of the house you are at liberty to do it and I am not bound to give an explanation. Please conclude your speech.

SHRIMATI MALINI BHATTACHARYA: About the sale across the fence, it was said that since the multinationals do not have any police in this country, they do not have the necessary personnel or the infrastructure they will never be able to enforce through the Government. now, I think that we are entering into a treaty. If we are entering into a treaty we enter into it honestly. If we want to violate the treaty surreptitiously then, what is the use of entering into the treaty at all? If branded seeds are bought by the farmers, and then these are multiplied, then these are again sold across the fence, then that is actually a violation of the treaty.

MR. SPEAKER: You have made very good points. Now you must cooperate with me by just saying that you agree with the others.

SHRIMATI MALINI BHATTACHARYA: I want to see a clarification from you because you said from the Chair, that this is an important matter.

MR. SPEAKER: I expect you, Madam, to seek on the Final Act.

SHRIMATI MALINI BHATTACHARYA: You said that they do not have a machinery do it unless the Government co-operates. On the floor of the House the Government is making a categorical statement that it anybody has to be proceeded against, it has to be through the Government. The GATT Treaty does not have the police or the court or any machinery. Does it means hat they may sign the treaty and the same our farmers may be told surreptitiously by the Government that they could do anything.

MR. SPEAKER: There is a method for that. All these things cannot go on like this.

SHRIMATI MALINI BHATTACHARYA: What is the method? I think if any law is formulated, it should take into account the farmer's rights, researchers' rights, not the right of international breeders and not the rights of multinational breeders.

MR. SPEAKER: Madam, you should conclude now. Thank you very much.

SHRI ABDUL GHAFUOR (Gopalgani): Please give me only one minute. I will make the shortest speech in Parliament since Parliament was established.

MR. SPEAKER: I will give you time. I am sure it is going to be very interesting.

SHRI ABDUL GHAFUOR: Workers of the world, unite together, except those who are all combined together on this issue and left here in India from our free world ! now the capitalists of the world unite. Here is Shri Manmohan Singh, Shri Pranab Mukherjee. So, let us start on our journey, from here and where are we going? There is no way out. Let someone be born in India like Mahatma Gandhi, Subhas Chandra Bose. All these things about which people are making speeches here are not clear. Everybody's mind is perplexed. What is this? What will be the Treaty and where will be the police? We are all under pressure.

Now, after the demise of the Soviet Russia, let us go home now!

SHRI CHANDRAJEET YADAV: Do not take his advice seriously.

SHRI ABDUL GHAFUOR: Let us combine our political wisdom and fight the next elections.

MR. SPEAKER: Shri Pranab Mukherjee.

THE MINISTER OF COMMERCE
(SHRI PRANAB MUKHERJEE): Mr.
Speaker, Sir,....(Interruptions)...

[Translation]

SHRI NITISH KUMAR (Barh): Mr. Speaker, Sir, it is guillotine of debates. You had said that we would be given a chance to speak. We want to express our views before the House. This discussion should be continued for some more time.

SHRI ASTBHUKA PRASAD SHUKLA (Khaillabad): Mr. Speaker, Sir, the hon. Members belonging to BJP should be given an opportunity to speak. We have waiting since morning.

[English]

MR. SPEAKER: I can give you time. But then, if you are making references to all the advices given by all the economists and newspapers and not speaking on the Final Act, then it becomes very difficult.

[Translation]

SHRI NITISH KUMAR: We will speak on the related subjects we will neither refer nor read any other thing. We are not in the habit of reading notes even.

[English]

MR. SPEAKER: Please understand, according to the rules, the time available for discussion under Rule 193 is two and a half hours. We have given 12 hours. You know the first speakers who were fielded by the parties were given as much time as they wanted. It is for your Parties to decide how much time should be given. CPI has been allotted 18 minutes and Mr. Bhogendra Jha has spoken for 58 minutes. Of course, BJP

has got some time. Janata Dal has been given...

[Translation]

SHRI ASTBHUKA PRASAD SHUKLA: Mr. Speaker, Sir, I am thankful to you for giving me an opportunity to speak. Sir, the farmers are much worried over the Dunkel Proposals. More than 2000 farmers from the villages stopped me on the road while I was on my way back from my constituency, recently.

MR. SPEAKER: Do not speak about agitation. Please speak about the draft.

SHRI ASTBHUKA PRASAD SHUKLA: I am talking about the farmers. I would like to submit that the farmers are very much worried about the Dunkel proposal and the approach of the Government towards it. Recently Cargill was given permission to buy 10000 to 50000 acres of land in Maharashtra. It indicates that slowly and slowly our agriculture will be out of our reach. Likewise subsidy has been reduced in each budget. The farmers have doubt about the subsidy. It has been stated in article 6 or the draft that the subsidy being given on agriculture in the developed countries is to be reduced by 20 per cent within 6 years. In European countries 80 to 200 per cent subsidy is given on agriculture, while in our country it is 5 per cent. There is no similarity between the subsidy given in developed and developing countries. There is no equal right of market access.

MR. SPEAKER: The hon. Finance Minister has stated that we need not reduce the subsidy but we can increase it.

SHRI ASTBHUKA PRASAD SHUKLA: Mr. Speaker, Sir, I am speaking about the other thing. I would like to submit that the

[Sh. Astbhuja Prasad Shukla]

Centre and State Governments give subsidy on fertilizers, seeds, agriculture equipments and revenue but in this article nothings been mentioned about the subsidy to be given on revenue. The important question is after all what sort of subsidy will be given on revenue. Regarding the patent the hon. Minister had stated that this related to *sui-generis* system. In your documents in article 27, it has been mentioned about effective and reserves rights in TRIPS, who will be authority for it.

MR. SPEAKER: It will be decided by the Parliament.

SHRI ASTBHUJA PRASAD SHUKLA: It is being said that it will be reviewed after 4 years. Just now the hon. Minister has said that a Bill is being introduced for giving concession to the farmers. It is a matter of concern to us as what will be the provision after such review. Ours is a country of small farmers. 65 per cent farmers exchange seeds with each other and use it in agriculture. The Government should make it clear that it will not be effective here. But the crop is being harvested today and the farmer will store the seeds in the godowns and at the time of sowing he will bring out from the godowns and it is for him either to sell it or to exchange it. Who will decide whether it is being used for the agriculture purpose or not. These are some minor questions of the farmers. We have the seeds of hybrid maize. Any company has got it patent and the farmer gives this seed to someone else the company which got it patent gives it to someone else then the company will say that this was their own seed. Whether an action will be taken against the farmers. Even the seeds bear the name and there is no such product which does not bear the name and if it got

patent then it will come with the name. There is no such provision in this document to decide this and that is why the farmers have doubt about it. Position regarding Balance of payment, which is at page 4 of this document has been discussed today. Who will decide about it. It will be decided by GATT or y the IMF, it has not been made clear in it. It has been stated in this documents that we will get concessions in making export and in subsidy through the B.O.P. The Minister of Finance says that the problem of BOP has been solved. We have 13 billion dollars in reserve and the IMF loan is already being repayed since it is surplus. From where will we have the facility of concession in subsidy if the problem of balance of payment is solved and how will we have the facility in making export. There is contradiction between the statement of the hon. Finance Minister and this document. It has been stated in the document that the facilities of subsidy and export will be given on the basis of BOP and how this will be given. These are some of the reasons which creates doubts in our minds regarding Dunkel proposal. It seems that the farmers are being totally neglected and it creates doubts in their minds. For a company like Cargill, the land for gardening is in the name of the company on the other hand land-ceiling Act is also in operation.. The company is allowed to buy 40-50 thousands acres of land. Whether the foreign companies will prepare chips, tomato sauce, pickle and papad, do farming also produce the raw meterial and if the raw meterial is cheaper in foreign countries then it will procure the raw material form there. Then foreign companies will export its product after procuring the raw meterial. Then what we will produce in our country for making export. 80 per ent people in our country depened on agriculture. What will be the fate of this country wher, these foreign companies will start manufacturing even the small items. On

one hand Government says that budget is small and cottage industries oriented and associate the people with the agriculture production, on the other hand the foreign companies are being invited. The Government has given the licence of food products processing to the Pepsi-cola company. We all are aware of the functioning and other activities of this company. Whether the Government has ever verified that this company is serving the very purpose for which this was allowed to function and was given licence. The multinational companies coming to our country will have some profit motive. Coca cola has captured and it has captured the market of Thumbs up. The items made in villages which can be made by the handicapped rural children, women and the poor labourers will be made by the multi-national companies. Pepsi is an example of it.

It is like comparing a man having hunch back with an ordinary man and on seeing a beautiful girl he wishes to marry her, but will she marry him? No, she will not marry him because in the performance of marriage the whole body and not a particular part is involved. Similarly this Dunkel proposal is like a man having hunch back and the Government should take steps to remove that.

SHRI BHOGENDRAJHA (Madhubani): Do not call it a hunch it is leprosy.

SHRI ASTĀBUJA PRASAD SHUKLA: It is all the same thing. Therefore, I oppose this Dunkel proposal and I would like that the Government should not put signature on it and this is the opinion of all the farmers.

MR. SPEAKER: Mr. Umrao Singh, please conclude in five minutes.

SHRI UMRAO SINGH (Jalandhar): Everybody talks about the farmers. I would

like to talk about three things only, namely seeds, subsidy and export of agricultural products. About seeds I just want to say that the way the discussion is going on here that hardly presents a true picture. I just want to tell you about Punjab. In Punjab the first and foremost need of a farmer is seeds. No country of the world or MNC can supply us seeds as per our requirement. We sow wheat on 32 lakh hectares of land and for that purpose we require 32 lakh quintal seeds. No MNC can supply such a huge quantum of seeds. So this is regarding wheat alone. Similar is the case of paddy, the target for which is 20 lakh.

MR. SPEAKER: This is not related upto the Punjab alones, but to whole country.

17.00 hrs.

SHRI UMRAO SINGH: I am telling you about one state. This would enable you to assess the requirement of the whole country. No agency can supply seeds to the farmers all over the country. Here the farmers multiply their seeds.

They supply seeds not only to Punjab but to the whole country. There has been no restriction over it and there would be no restriction. If any restriction is imposed on it then it is totally wrong. Many Universities and National Seeds Corporations are supplying such quality seeds in our country which none else can supply. If any other country can supply such quality seeds then we have no objection. If a particular seed doubles the yield of a farmer then naturally he will go for it. If he wants he can sell it in the open market, there is no restriction as such. Now such apprehensions are being pressed that entry of MNCs would be against the interests of the farmers. This issue was discussed in the Parliament two and a half years ago. Since then we are heading

[Sh. Umrao Singh]

towards an open economy. It is being said that our country would be slave and would lost its sovereignty but the Congress Party which led the country to freedom is committed to the development of the country and security of its people. I would like to ask these people that where was America in 1971 when we were in Dhaka and it was being said *inter alia* that Armada Fleet of America was approaching through Singapore. Mr. Speaker, Sir, such things have no meaning. Neither we have been ever pressurised nor we are being pressurised at present nor we are afraid of such pressures. I feel, if farmers are in need of something, they must be provided with that.

Mr. Speaker, a point regarding subsidy has been raised. The farmer does not need it any more. He needs electricity. I would again talk of Punjab where power supply continue only for 5-6 hours. Factories are not functioning for want of full electricity. If electricity is also provided there or 20 hours it would help in increasing the production. Besides electricity, they also require water and if they require water they also require seeds. Our scientists are providing good seeds.

[English]

MR. SPEAKER: I must say that you are not on the point.

[Translation]

SHRI UMRAO SINGH: I am talking about seeds only. The name of Dr. M.S Swaminathan has been mentioned here. You had been to Moila and I am telling you about the advance study there.

MR. SPEAKER: The Minister will reply on your behalf.

SHRI UMRAO SINGH: I would like to say that if more facilities are provided to the farmers they can produce more. There would be more horticulture and we would be able to export foodgrains. Whether we go for food processing or finished goods it would ultimately increase our production and thereby the country would flourish. Our colleagues instead of praising our country would like to say that, "

*"Hamko Uns Wafa Ki Hai Ummeed,
Jo Nahin Jante Wafa Kya Hai."*

Therefore the country is bound to make progress. It has been making steady progress for the last 40 years and it will continue to progress. I earnestly hope that our agricultural production will increase by using good seeds and it will also boost our exports and the country will be prosperous.

SHRI NITISH KUMAR (Barh): I thank you very much for providing me an opportunity to speak and I would like to submit and request that since you have given me an opportunity I may also be permitted to present my view point, I will not take much of your time.

Hon. Minister is going to make a reply and all relevant aspects concerning this issue have been discussed between the opposition and the treasury benches. After having listened the discussion and going through this document as well as the comments of the experts and press. I have developed certain motions about it which have given rise to certain questions in my mind, which of course a common man can also pose to me as it is a brunching issue throughout the length and breadth of the

country. I would like to put up them questions before you.

After all what benefits we are going to get by remaining a party to the GATT agreement? It is being said from the Government side that it is a multilateral agreement and if, we remain party to it we would be benefited in many ways. I do not want go into details. You and your Government have made many statements inside and outside the House telling that it would multiply our trade and commerce. You yourself have said that this would benefit us to the tune of 1.5 to 2 billion dollars more. After all the data provided in the House relates to the increase in the overall trade throughout the world, keeping that in mind we want to know as to what would be our share in that increase, would we be able to maintain our current increasing of export or would it increase further even after signing the GATT agreement and in which sector we would be benefited.

Repeatedly, it is being said that the textile sector would zoom. Just now Maliniji was mentioning one point. Considering that, I would like to know whether we would be allowed to export any types of fabric? You have talked about so many good things, while delivering a speech in the Business Forum of C-15 countries. Shri George has demanded a clarification on one of its aspects. Really, I was very much delighted while going through your speech but I doubt if you will stick to your stand because keeping in mind the New World Trade Organisation which would be created after the discussion is GATT is over America bringing non-trade issues in the forefront and it has raised three questions.

Three issues regarding labour standards, human rights and environment have been referred to. It is being mentioned

that the Government of India is going to accept the proposals regarding environment. I do not know what are senatory and fight senatory referred to by Ms. Malini Ji and contained in the GATT. Now there is not enough time to quote all that. I seek a clarification about the environment proposals being blindly accepted by the Government that whether there is some restriction regarding use of pesticides, insecticides and fertilisers used in producing cotton for manufacturing clothes? Because, it is being believed that USA is going to restrict the import of commodities in the manufacture of which pesticides, insecticides and fertilisers are being used. Now in this scenario will we be able to increase our exports because the promise made regarding reduction of 10 year backs loading period for multi-fibers has not been reduced. and whether term 10 years any benefits will be reaped? I seek an unambigucus clarification in this regard.

I would like to know the grounds on which you claim to undertake agricultural exports. Many an hon. Members have already put forth their views in this regard and I do not want to repeat the same. The issue of the Balance of payments position is a point for discussion and who will certify whether it is good or bad? However, after the agreement markets for staple and nonstaple food will have to be thrown open. After the economy is opened the situation will be none better because compulsory imports will have to be undertaken even in the absence of any need. In that case what will be the effect on prices and production? You are an expert and can evaluate all the points. There are two school of thought. One leftist and the other rightist. Both are diametrically opposite political thoughts. However, Dr. Manmohan Singh can give an expert opinion about the benefits and the manner in which exports could be boosted.

[Sh. Nitish Kumar]

While last time participating in the discussion on GATT proposals, I raised hue and cry regarding one point. Yesterday Shri Mani Shankar Aiyar reiterated the same regarding export of rice. I would like to know when America has evolved a new variety of basmati rice under the name 'Texamati' then what will be the fate of our basmati rice? What the country will export and how? Therefore, I seek a clarification in this regard.

Mr. Speaker, Sir, as far as the issue of seeds is concerned a standing committee on Agriculture of the House is there. Observations submitted by the Committee, consequent upon the deposition of the officers before the Committee, are well known. The Committee was informed that of the total seed requirements just 11 per cent of it could be met through certified seeds supplied by National Seed Corporation or State Seed Corporations. Rest 89 per cent requirement of seeds is met by the farmers among themselves. After the GATT comes into effect then we will not be free to sale the seed and permission for sale will be given only across the fence as has been stated by the hon. Minister. All this talk sounds artificial because then no distinction will be made. In that case who will be responsible for supplying 89 per cent seed requirements when the farmers will not be preparing seeds? Merely by saying that ICAR will not stop functioning and will continue to be on the scene sounds quite hollow. All right we accept it that ICAR will not vanish from the scene but even then how will the 89 per cent seed requirements will be met? When the farmers will not be allowed to prepare seeds from the plant feeders supplied by ICAR then from where 89 per cent seed requirements will be met? Further, when foreign companies will have monopoly on

seeds then what will the government do? These companies have plenty of advertising facilities and enough resources. Slowly but steadily they will control the entire field of seeds. At the out set they will sell seeds at cheaper rates but later on at higher prices. As a result of this small and marginal farmers will slowly find it difficult to keep themselves engaged in agriculture and will start disposing off their lands.

Mr. Speaker, sir, example of the Government of Maharashtra regarding the permission to purchase 5,000 or 10,000 acres of land has been cited in the House. This way land ceiling limit on some pretext or the other is being lifted. However, such things will make small and marginal farmers landless. I urge the hon. Minister to allay our fears in this regard.

Propaganda on Radio and TV will not allay fears of the masses. Perception that Radio and TV will allay fears is misgiving because messes can be divided into two schools of thought. Only a minority can be impressed upon by it, but the majority do not consider this good and nurse many a misgiving.

SHRI MANI SHANKAR AIYAR (Mayiladuturai): Election verdict will make the scenario clear.

SHRI NITISH KUMAR: Mr. Speaker, sir, I am submitting all this with the national interest in mind. Till now we have not toed party line. Sir, my party workers are being subjected to water colons on roads. Still party line is not being followed. However, if this issue takes party politics colours then it won't be good. Therefore, we want to totally move the Government and submit that please ponder over coolly on the entire situation. The manner in which USA is including everyday new things in it indicates

that tomorrow we will lose our sovereignty. I do not want to dwell at length on services and TRIPS, but GATT will result in globalisation and subsequently to high cost economy in the country.

I got the opportunity to accompany the Hon. Speaker to IPU conference in Paris. There I had to give my suit for iron (Pressing) and it cost me 70 francs. Hotel Ashoka even at present charges Rs. 35-40 for laundry work. There I ventured to purchase an ordinary pen.....(*Interruptions*).

SHRI MANI SHANKAR AIYAR: Sir, You stopped my friend Shri Pawan Kumar Bansal saying that the Minister had to speak. He was given only seven minutes to speak. Here is an hon. Member talking irrelevantly for the last 12 minutes. (*Interruptions*).

MR. SPEAKER: That is not proper, Shri Mani Shankar Aiyar.

(*Interruptions*)

MR. SPEAKER: Shri Mani Shankar Aiyar's statement is irrelevant. What he is trying to say is that high cost economy should not be inducted into the country. It is relevant.

(*Translation*)

SHRI NITISH KUMAR: This is the reason for our feelings becoming more firm. Opening of economy will lead to increase in prices. I urge Shri Pranab Mukerjee and Dr. Manmohan Singh to save the country. Money power is still an important big force. Exchange rate between Dollar and Rupee is 1: 31. That's why we warn you about the timely action that could be taken...(Interruptions).

Shri Jakhhar mentioned about sui-generis

system. In this connection I would like to reiterate the views of many hon. Members. Here provision of effective sui-generis system is provided. Yesterday Shri Aiyar referred to it a lot. However, I do not want to cite it because the Bill has yet to be introduced by the Government.

MR. SPEAKER: Do not get panic by patent laws as our patent laws will be also protected.

SHRI NITISH KUMAR: Sir, you are right but what is the Budget allocation for Research and Development. USA and Japan are spending per capita \$ 600 and \$ 700 respectively on R&D and India only \$ 3 per capita.

MR. SPEAKER: Because population is much higher....

(*Interruptions*)

MR. SPEAKER: Please do not quote enough data.

SHRI NITISH KUMAR: I am citing all this for elaboration only. Yesterday Shri Fernandes cited the example of a multinational company. Therefore sui-generis going to be evolved should first be got approved from the Parliament. At that time we will be inclined to give amendments for protecting our interests. At the time of review in WTO it will be nullified. The Government is moving the legislation with an eye on the elections but the results will make everything clear. Mere saying that interests will be protected is not going to satisfy anyone or save the country. Therefore, today I would like to submit that (*Interruptions*)

MR. SPEAKER: We think about Shri Aiyar and you are equally proficient in Hindi.

SHRI NITISH KUMAR: You do not want to get out of GATT. I submit that we must stay out of GATT as it is not beneficial. Even if still it is being believed that GATT is beneficial then please take into account the hue and cry being witnessed both inside and outside the Parliament and be swayed by the national interests and not of the feelings of Shri Aiyar. Please submit all the details and documents to the experts and the political parties if any decision has been taken in Camera...*(Interruptions)*

[English]

MR. SPEAKER: Now, you have to conclude....

[Translation]

SHRI NITISH KUMAR: Please trust us and form some consensus opinion for providing maximum benefits so as to save the country. The manner in which things are being initiated will clearly jeopardise the future of India and will take the country towards bondage. I can say this quite confidently.

[English]

MR. SPEAKER: Now, nothing will go on record henceforth please.

(Interruptions)

MR. SPEAKER: This is not going on record. These statements are not going on record.

(Interruptions)

MR. SPEAKER: You have made your point. They are good points.

[Translation]

Do not spoil the them.

(Interruptions)

SHRI DAU DAYAL JOSHI (Kota): Nothing has been said regarding medicines. While replying the hon. Minister should clear things about patents regarding medicines.

MR. SPEAKER: Please sit down.

(interruptions)

SHRI NIRMAL KANTI CHATTERJEE: I will just make one request to the Minister. You bear with me. The Finance minister has indicated that there are difficulties.
(Interruptions)

MR. SPEAKER: This is not going on record. This is very unfair.

*(Interruptions)**

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Mr. Speaker, Sir, I am grateful to the hon. Members who have made their contributions on two days' discussion and I am also grateful to have the opportunities of sharing my perceptions on the Final Conclusions of the Uruguay Round of Negotiations as getting reflected in this draft Final Act.

First of all, I would like to clarify certain technical aspects. Despite my repeated assertions, many Members have pointed out that something had been signed on 15th of December, some final seal of approval is going to be given on the 15th April. It is not so. After 15th December, when the

discussion took place on this very House, I pointed out that by 15th of December, multilateral trade negotiating committee which were appointed by the group of Minister's Meeting at Puntadel Este in September, 1986 have concluded their job and they have arrived at some their conclusions. Those conclusions will be presented before the group of Ministers and the group of Ministers will authenticate it that these are the conclusions, these are the decisions arising out of the protracted negotiations and they will recommend to their respective Governments as the authentic document. As every document which has to be laid on the Table of this House is to be authenticated by the Minister, similarly, to the contracting parties to the Governments that will be the authentic documents. That is not the binding one.

Thereafter, it was decided that each country, within one year, will ratify it. Of course, that date will be decided at Morocco whether it will be from first of January 1995 or from the first of June 95. That is the indication which I am getting. It would be first to January 95. It may be from first of June or first of January 1995. Within that period, the respective countries will ratify, according to the law, rules constitution whether they are accepting or they are rejecting it.

The second point which I would like to point out is that this document itself is not a self-executing document. Many of these provisions will have to be implemented through the national legislation. Parliament will pass that law. Therefore, *ipso facto* even if this document is ratified, even if this document is signed, it is not going to be implemented. It is not a self-executing document. Unless the various provisions of this Act are being translated into legislation by Parliament some of these provisions will

not be implemented. Therefore, we shall have to keep in mind these technicalities.

I will now come to the points which were raised by Shri Jaswant Singh and even while making his observation Shri Nitish Kumar referred to that. First, what are the gains? What are we achieving from this round of discussions? I am grateful to the Finance Minister and the Agriculture Minister because in their interventions, they have covered much of the areas, particularly the areas which went beyond the discussions of this document covering the national economic policy. Much of those issues have been dealt with by the Finance Minister and the Agriculture Minister has dealt in detail about the problems, concerns which were expressed by the hon. Members on agriculture. I would like to try to confine myself as far as possible to this document; and also to certain other issues which have arisen to of this acceptance of the GATT treaty. Being the Member of the GATT, the first gain we are having is -all the 117 contracting parties are there-that automatically we are having the Most Favoured Nation treatment.

SHRI SAIFUDDIN CHOUDHURY
(Katwa): From whom?

SHRI PRANAB MUKHERJEE: From all the countries. All the Members will extend it. Automatically, the Most Favoured Nation Treatment is to be extended by all. This is the first gain.

Secondly, we shall have to find out whether we have gained in textiles and what we have gained? I have mentioned it on earlier occasions also from the very beginning, that we, the developing countries, are pointing out that we want textiles should be liberalised and there should not be any quota restriction; the market of the

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industrialised countries should be opened to the textile exports of developing countries. I am sorry my friend Shri George Fernands is not here. But surely Shri Nitish Kumar will convey it to him. He will remember that the Tokyo Round of negotiations started in 1973 which was the last Round, before this one the Seventh Round and concluded in 1979. He was the Minister of Industry at that time. Even at that time we tried to see that textiles be brought within the discipline of GATT. But we were not successful. The industrialised countries resisted it. It is true that we are not totally happy but still we tried and we try to do something. What has been the outcome of our efforts? There were serious pressures till the last moment demanding that the transition period should be extended from 10 years to 15 years.

We have been able to resist that. It is not doubt, back-loaded. We wanted to have it front-loaded. But we also, when we placed our tariff bindings in the textiles, calibrated it to the extent that you will liberate the textile industry, allow access to your market up to 15 per cent in the first two years, we will reduce our textile tariff to that extent. If you delay it, we shall also delay it. This is, to my mind, is a major gain.

The third area is question of agriculture itself. When I quoted the observations of the leader of the ministerial group in the first meeting at Punta del este and the observations of the minister in the last meeting at Brussels in 1990, I did not want to score any debating point. I wanted to point out that this is an area where our stand is a principled one because till today we are having an uneven competition in the agriculture with the industrialised countries because their agriculture products are highly subsidised. All the hon. Members are fully

aware of it that the time which took to conclude these negotiations was mainly because of the quarrel between the industrialised countries in regard to the reduction of the agricultural subsidy. One hon. Member has pointed out that even the Prime Minister of Japan is not happy. As he has mentioned the name, that is why, I am mentioning the name of the country, otherwise, I would not have done it. Yes, he would not be happy because he has to reduce the agricultural subsidy. Industrialised countries are compelled to reduce the agricultural subsidy not to the extent that we want, but nonetheless 36 per cent for a period of six years. Not only that they will also have to provide access to their market. Ane here the hon. Members are fully aware of the mechanism which is there. The first suggestion was that you remove your quantitative restrictions and tariffify it and in the process of tariffication, it was found that even their subsidy level is very high, 600 to 700 per cent and even if it is reduced for a period of six years, to the extent of 36 per cent, then too the tariff wall will remain so high that the developing countries would not be able to jump that. Therefore, it was suggested that you will have to provide to market access for import to 3-5 per cent of total agricultural production. For that you shall have to reduce your tariff to the minimum level. You will provide the facility to import to the extent of three to five per cent and thereafter you can raise it so that the opportunities to the developing countries materialise. I am talking of the developing countries as a whole. I read it in a journal that all this advantage, in this case would be gained to the extent of fifty million US dollars to the developing country. How much we will get the share out of that fifty million dollars is a different question. But the strategy which we wanted to have which we worked out is that the textile market, agricultural market of the industrialised

countries should be opened to the developing countries. To a considerable extent, we have been able to achieve that objective. Then there is ten year transition period in respect of intellectual properties particularly in respect of amendment to our patent laws. Here I would like to dispel one misconception that as if India is not having any patent regime at all. And the TRIPS do not deal only with patent laws. There are certain other laws, the copyright law, copyright related rights, trade marks, geographical indication, industrial designs; patent, layout design, integrated circuits, protection of undisclosed information. In all these things, we do not have any trouble with the international laws. Therefore, somebody pointed out that nearly 95 per cent of the IPR regime is in conformity with the international laws patent laws. Thereto, it is not correct to say that 1970 patent law does not permit product patents at all. It is not so.

It does not allow product patenting in foodstuff, in pharmaceuticals and drugs chemicals, but it allows product patenting in engineering goods, in machineries. Therefore product patenting is permitted in some cases, the case where we do not permit product patenting and have we shall have to amend our laws. It has been clearly explained by the Finance Minister; I am not going to the details of that. The advantage which I am talking of; I would not mention the name of the two countries which are outside GATT. While they were trying to have bilateral trade negotiations, they were forced to change their patent laws and to bring them at par with international laws within one year. Here the advantage which we are talking of that we are getting a period of ten years for changing our laws.

Very often it has been raised; the unilateral panel action by the powerful economic nations. What we have to do?

The GATT itself does not take away certain rights of any Government from the mightiest to the tiny one of making any legislation which their Parliament or which their sovereign Government, according to their will consider it necessary. The question is, if that piece of legislation causes injury to other members of the GATT, earlier there was no court to appeal. Today there is a court of appeal. Who is there, Dispute Settlement Mechanism would be there to listen to you. Whether you will be able to plan your case or not is a different story. But a forum is available, the forum which was not in existence earlier. This is the gain to my mind we are going to have.

A case has been built up as if the whole world is going to collapse if we sign the GATT. I am coming a little later to the sovereignty and other aspects. A case has been built up as if the whole world is going to collapse. What is this agreement? You would require six months notice to come out of GATT. Even I mentioned to you that if at any point of time the Parliament considers that certain provisions of this Act are not to be implemented, if the collective wisdom of the Parliament considers it necessary, they will throw that.

About the laws which are being brought in, much has been pointed out. What is the effect of *sui generis*?

[Translation]

SHRI NITISH KUMAR: In the new agreement being entered into whether there is the provision of six months notice?

[English]

SHRI PRANAB MUKHERJEE: What is effective *sui-generis*? The word *sui generis* itself - Srimati Mali Bhattacharya is a professor

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in English, she knows better than I do - is one of its own kind. It is unique one; it has no parallel. Therefore the sovereign national legislatures will have to make that law to give the protection to the plant breeders. It will be your own law. What does 'effective' mean? Very often in the GATT you will find 'effective'. That 'effective' does not mean some sort of supervisory right. The laws, the rules, the decisions which you are going to have must be transparent. The laws which we are going to have to protect the plant breeders right and protect the farmers right must be effective laws. The law itself should be construed in such a way that by plain reading of the laws one would find the effectiveness of the protection provide to the transparent sense of the laws clearly indicate the farmers rights to the plant breeders rights through various provisions of laws. You have to provide it, that is sui generis, whatever you would like to give. Therefore you are making your own laws. (Interruptions)

Let me finish, then you will start interventions. I have listened to you; not now. I am not even at one-fourth of my observations.

This is a piece of legislation which is coming for your consideration. The Agriculture Minister is having discussions with you. An allegation has been made that we have not discussed with anybody. Most respectfully I would submit that if we go rough the sequences of events - please look into it - in 1986 September the discussion started; the timeframe was more or less decided that it will be concluded by December 1990.

But it could not be concluded by December 1990. Then, by December 1991,

the then Director-General, Arthur Dunkel brought out a proposal on which we thought that there could be an agreement. This is known as Dunkel Proposal.

[*Translation*]

SHRI NITISH KUMAR: This is an old point say something now.

SHRI PRANAB MUKHERJEE: Old is also to be repeated. I am just pointing out how we acted.

[*English*]

Thereafter, the Prime Minister appointed a Cabinet Committee under the chairmanship of Shri Arjun Singh. I have the whole list of persons with whom Shri Arjun Singh had discussions. You will find the names of political leaders, trade union leaders, leaders of Chambers of Commerce and Industry and various other experts. All the important personalities concerned, who wanted to give evidence, did come and give their evidence. Thereafter, he made a recommendation that we should have a discussion on the floor of the Parliament. Unfortunately, though we wanted to have a discussion, we could not have it in the whole of 1992 and 1993. Therefore, just to come to the conclusion that we did not want to have a discussion or some sort of a consensus to have a discussion, is not correct.

The question of Chief Ministers has been raised by Shri Jaswant Singh. When the negotiation was over by 15th December, I wrote to all the Chief Ministers on 20th January and I sent a copy of the draft to them requesting them to go through the draft so that we can have a discussion with them on it later on. Then, I have even reminded them. I am happy to inform you that six of

them have responded and the process for discussion is being started. It is not as if we had no discussions. To say that we are not discussing these issues and that we are taking unilateral decisions is not correct.

SHRINITISHKUMAR: What happened before December 1993?

SHRI PRANAB MUKHERJEE: I told you what happened before December 1993. Even in last April, all the political parties including the party of Shri Nitish Kumar, including the CPI (M), with the exception of BJP, have responded to our invitation and we discussed the issue. In respect of the report of Parliamentary standing committee I told as to why not act on it. Of course, the major conclusion of the Parliamentary Committee headed by Gujaralji may be recalled and I want to quote the concluding recommendation of the Committee. It says:

“There are differing opinions expressed on the desirability or otherwise of India binding itself to the Uruguay Round. There is no denying the fact that the final outcome is not in the best interests of India on every count. But in multilateral agreements, it is always a question of give and take. Undoubtedly, in today's world, with increasing interdependence of nations, multilateral agreements with MFN status for all the participants are decidedly advantageous, as compared to bilateral agreements. Every country has the sovereign right to stay out of GATT and it cannot be argued that India's interests would be served best by giving up the membership of this forum.”

Therefore, it is not correct to say that there has not been any consensus or any discussion or any consultation.

Now coming to some of the substantive

issues raised by some of the hon. Members, I ought to clarify one issue in particular which was raised by Shri Jaswant Singh about the position of revenue foregone, as to whether it should be considered as I told as to why I could anement of subsidy or support that we have provided. The answer is no. Because subsidies are reduced to avoid trade distortions. Here, we have to keep in mind that foregoing these revenues is a device to exempt the poor farmers from paying land revenue, etc. All these belong to the category of resource-poor farmers.

As far as resource poor farmers are concerned, according to our statistics they are nearly 70 per cent. They do not come under any discipline at all even in this GATT. When I took into account the total aggregate measurement of support I went through a simple arithmetic. I took the total quantum of subsidy which we are providing through the State and the Central Budgets and through various other mechanisms. From there, I came to the conclusion. That there is no need of further reduction our subsidies I have already shown that to you. I am not going to repeat it. The level to which could go and the present level which is there is more than Rs. 19,000 crore of negative subsidy. Therefore, to my mind, it is not going to affect it at all.

Now, I will come to the areas of investment. This is a very important point. If you have different opinions about our investment policy, you are free to have it. If you are not in favour of the Industrial Policy Resolution which was placed before of this House and which was discussed in July, 1991, you are free to put your point of view. But when you are talking of GATT and when you are discussing Trade-Related Investment measures, there, you must not confuse. It is because the Trade-Related investment matters will be covered by

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GATT. I am just quoting from the agreement on TRIPs.

"The agreement on TRIPs is related to the trade in goods. The basic obligation of the agreement is contained in Article II which requires that the Members shall not apply anything which is inconsistent with the provisions of Article III, that is natural treatment or Article XI(1) - quantitative restrictions of the GATT. II(1).

As far as trade in goods is concerned, GATT does not compel you to open a particular area for investment from abroad for investment. GATT has nothing to do with this. Whether you open some area or not for investment, it depends on your own individual decision, on your own will. If you consider that foreign investment is necessary you open an area. The other day it was pointed out as to why do we want this.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Foreign chips will have to be allowed. If you want I shall ~~be~~ ~~be~~ ~~be~~ now. Right from Calcutta to Allahabad...(Interruptions)

SHRI PRANAB MUKHERJEE: You are talking about services. I am talking about investment.

SHRI NIRMAL KANTI CHATTERJEE: Shall I read it?

SHRI PRANAB MUKHERJEE: Let me do it now. Thereafter you can do it. It is because you have the habit of regarding something out of context. But let us not go into that.

Therefore, what I am suggesting is this. I would like to be corrected. Trade is directing investment. Whether your investment policy.. (Interruptions)

SHRI SOMNATH CHATTERJEE (Bolgpur): You have an art of not listening to anybody!

SHRI PRANAB MUKHERJEE: You asked me whether GATT is compelling you to open your industry for investment. For that my contention is, it is not. You will have to decide yourself in which area you would like to have or not to have an investment.

SHRI NIRMAL KANTI CHATTERJEE: I am reading from TRIMs - To facilitate investment across the international frontiers. (Interruptions)

SHRI PRANAB MUKHERJEE: I do not know.

Now, I will come to services. (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: Sir, you wanted that only books to be referred to. I am only referring to books but he is not yielding.

MR. SPEAKER If he is not yielding, then you should yield.

SHRI PRANAB MUKHERJEE: Here I would like to make one point clear. There has been a lot of noise made here that we have opened up everything viz. commercial banking, insurance etc. What is the provision? It has been agreed. Our Commitment today is standstill. What is meant by, standstill,? It means the policy which prevailed during nationalisation of banks in 1969 and continuing till day remains

as it is. It has been agreed that as far as financial services are concerned, negotiations will go on even after six months of the completion of the acceptance of GATT 1994. Therefore, it will depend on the basis of reciprocity. If we consider that in our own interest certain areas would be opened up, we will be free to open them up. If we consider that certain areas should not be opened up, surely, nobody can compel us to open them up. (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: You have already opened them.

MR. SPEAKER: Shri Nirmal Kanti Chatterjee, no continuous commentary please.

SHRI PRANAB MUKHERJEE: Now coming to the areas mentioned, one point has been raised and particularly when Shri Rabi Ray was making his observations I was listening very carefully. Certain other hon. Members also mentioned what happened in April 1989.

I know one thing happened after April 1989, at the end of 1989, or in November - December 1989: They came to power. Did they suddenly discover that some conspiracy had taken place in April 1989? Did not they know where they were in power? The of one year, when they were in Government, when negotiations were going on why did not they realise that the sovereignty of the country was mortgaged? They had a Prime Minister. They had their Ministers, they had a Government, and for one whole year they did not realise it?

SHRI SAIFUDDIN CHOUDHURY (Katwa): Governments are bad; Oppositions are good.

SHRI PRANAB MUKHERJEE: I can

appreciate the comment. However, on principle, I would like to appreciate the fact that Prime Minister disowns his Commerce Minister. In a parliamentary democracy collective responsibility means owing up. My simple point is that if such a great conspiracy took place after April 1989, where the sovereignty was mortgaged, economic independence was mortgaged then why for one full year, they could not discover it?

They told us immediately after assuming office that — the Finance Minister told us — that they had inherited empty coffers. The Railway Minister also told us that he was happy that the Railway administration had been very good and that he would like to carry it on.

We were also told that corruption at high places would be revealed. But we were not told for one whole year that the sovereignty of the country had been mortgaged by a decision in April 1989.

Sir, let us come to the concept of sovereignty and this mortgaging business. I am not going to quote either the President of the USA or from foreign journals. My knowledge is limited and my reference is only to this House, the Lok Sabha. I am quoting one observation here made on the floor of this House:

“You mortgaged our economic sovereignty, you hypothecated our national honour and dignity. You have annihilated the Indian economy. You have bound the entire nation to unscrupulous moneylenders.”

I was said to Shri R. Venkataraman, the then Finance Minister on the 2nd December, 1981 by a Member, who is not here today, but his party is here and they also spoke in the same tone. Therefore,

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I am not going to be rhetorical at all !

sovereignty was mortgaged in 1981. In that case this is second mortgage they . Or, if I go back to 1966 devaluation, then it will appear to be the third mortgage! How many times sovereignty can be mortgaged ? Therefore let us not take this.

SHRI SOMNATH CHATTERJEE: These comments will not help, Shri Pranab Mukherjee.

SHRI PRANAB MUKHERJEE: What I am trying to point out is; that the sovereignty of India was not mortgaged; in past nor it is going to be mortgaged now.

I have told you that each document cannot be implemented on this own. It will have to be implemented through legislation. Parliament has to legislate.

SHRI BASUDEB ACHARIA (Bankura): You have the majority.

SHRI PRANAB MUKHERJEE: Yes. We have the majority, we have the majority will of the country. We can do it. This is the basis of parliamentary democracy. *(Interruptions)*

SHRI SRIKANTA JENA (Cuttack): It is as a result of horse trading.

SHRI PRANAB MUKHERJEE: I am not talking of horse trading or sheep trading. *(Interruptions)*

Parliamentary democracy means that the majority decision will be there. *(Interruptions)* You may contest the decision. But once the decision is here, it is not the decision of the majority party. It is the decision of the House. Once the decision of the House is there, we shall have to agree to it. *(Interruptions)*

SHRI SRIKANTA JENA: The cases of some of the hon. Members who are sitting on that side are in the courts. You are not enjoying a majority.

SHRI PRANAB MUKHERJEE: Alright I am not enjoying a majority. But in a parliamentary democracy when a decision is taken on the floor of the House, it becomes a decision of the House. Therefore, if a Parliament approves a piece of legislation which will give effect to the proposals of the GATT you cannot say that you are mortgaging your sovereignty. That is may limited point. Why I am claiming your propositions are in concert? Why I am confident? I am confident because if somebody says that tomorrow people will not be allowed to use Neem stick to brush his teeth people but find that they are using it no chowkidar has come to take away, that right your argument will fall flat. You ceaim that the farmers will not be allowed to keep their seeds. When the farmers will be able to retain their seeds, your argument will be flat. Why are you agitating today? Why do you not wait for another crop season? Why do you not wait? According to you sovereignty has already been mortgaged. That is your contention. On the other hand, you are not prepared even to wait for one crop season, to find out whether the farmers can retain the surplus of their own production and use it as seed. The point was raised on earlier occasion also. They will be able to multiply it. When you are having the right of exchange, when you are having the right of selling it...

(Translation)

SHRI NITISH KUMAR: Mr. Speaker, Sir, the hon. Minister is referring to unethical points in the House and teaching the same

too. It is unethical to suggest that we should sell seeds as grains. (*Interruptions*) Muster majority support through defections and sell seeds as grains.

[*English*]

SHRI PRANAB MUKHERJEE: One point, Mr. Nitish Kumar wanted to know, namely whether as a result of environment, United States of America can stand in the way of our exports. I can inform the hon. Member that U.S.A is a country which uses maximum chemical fertilisers. Therefore, if they are to put any embargo, they will have to think twice, what is going to happen to their products.

Secondly, the point which I have referred to, is not in the summit of G-15 countries but, of course, in a programme connected with the G-15 summit and I mean it. I just did not say only for public consumption. I said it in January. That whatever has been agreed, this is my clear understanding till today, that nothing will be reopened if any article has been reopened, every sovereign 117 countries will have its right to reopen.

I am precisely going to bring your attention this point. You just see article 2 where it deals with the breach of entrenched article. It is by all members. It is said that amendments to the provisions of this Article and to the provisions of this Article and to the provisions of following enumerated Article shall take effect only upon acceptance by all Members. That means, the veto which we have in article one will continue. Therefore,...

SHRI NIRMAL KANTI CHATTERJEE: I am challenging you. It is article X. There are some amendments for which, it is by two thirds. Look at article X.

SHRI PRANAB MUKHERJEE: You

can challenge so many things. Yesterday, the whole day I had to spend to explain to you that this is GATT 1994.

I a talking of the entrenched article which has been dealt in article II. That Article II will require, any amendment of the provisions mentioned in article II requires to be accepted by all members.

SHRI RUPCHANDPAL: What is written in Article IX? (*Interruptions*)

MR. SPEAKER: This is not going on record.

SHRI PRANAB MUKHERJEE: Now what is the sequence? The sequence is, on 15th of April, it is not going to be accepted.

18.00hrs

On 15th of April, the Minister are recommending to their sovereign Governments that this is the authentic document; this is the authentic conclusion of the Uruguay Round of discussions.

SHRIMATI MALINI BHATTACHARYA (Jadavpur): Is this the same that we have?

SHRI PRANAB MUKHERJEE: Let us not have any cross-talk now. Therefore, my point is this : suppose somebody wants to raise an issue. (*Interruptions*)

I do not have that much of chivalry as you have. (*Interruptions*)

SHRI SOMNATH CHATTERJEE (Bolpur): Have you circulated something else today?

SHRI PRANAB MUKHERJEE: No. The point is every article, very section has different pages. Please see the MTN/FA-11 on

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page 6 of this Article X(2) which says: "Amendments to the provisions this Article and to the provisions of the following enumerated Articles shall take effect only upon acceptance by all Members." What are these Articles? (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: It is not the whole thing. Article X is on amendments. These are meant for all members. The whole article is on amendments Please have a closer look at it. (Interruptions)

SHRI PRANAB MUKHERJEE: Let us not go into that aspect. I will now come to the question of seeds curing. What would happen? Seeds which are being developed by the publicly funded research institutions or the Universities need not be subject to any restrictions. The question came up: from where are we getting these things? Now, the point is that two-thirds majority will be required. Some Articles are not in the nature of the entrenchment in respect of article I the veto right is there. That is an entrenched Article. That is my contention. Therefore, that Article is protecting the rights. The Articles which are not entrenched Articles can be amended by two-thirds majority. But the Articles which are entrenched Articles including Article I which is the basic Article, which deals with the basic right of the Members, that cannot be amended merely by the two-thirds majority. (Interruptions)

SHRI SOMNATH CHATTERJEE: Therefore, what you say is that cannot be easily altered.

SHRI PRANAB MUKHERJEE: My point is different. You have not allowed me to complete my point. I can complete my point. If you permit, if you want. My point is: if this

was regarded as the final conclusions of the Uruguay Round of negotiations. at we are going to have on 15th is the authentication. When you have the authentication, you cannot bring in new issues. If you want to bring in new issues, then, every Member will have the right to bring in new issues. We are governed by Article I. That Article I will be a part of GATT 1994 when it will be accepted on 1.1.95. But what is going to govern the proceedings on 15th of April is not these provisions here, that is, the existing provision of GATT. That is why I mentioned yesterday that there will be an overlapping period when this will be in operation and GATT 1947, as amended from time to time till 1979, will also be continuing simultaneously.

SHRI SOMNATH CHATTERJEE: How long will it continue?

SHRI PRANAB MUKHERJEE: I think, till the integration is there. Therefore, my contention is, the point which I wanted to put across is that these are extraneous issues. What are they trying to do? Let us be very clear on this issue and how can we prevent it. There are three elements. I have no hesitation in saying that the developed countries combine together. You are talking of the GATT regime. Are we the only concerned persons? It is not like that. All the 117 countries are concerned about it. All the 117 countries have some a patriotic sense. Let us not think that only we are patriots only we are concerned about this documents. Everybody is also weighing where the advantage lies. If we find that the balance of advantage lies in being a Member of the GATT and particularly the context of the prevailing scenario, what will we do? Of course, in many areas, there is a weakness. I do not say that everything is quite clear. The ambiguity is there. It was there in 1947. It was there after the Havana Round of talks. It was there ere after the Tokyo Round of

talks. When various countries make their legislation, they try to put it in into implementation. If one comes in contradiction with the other, then, the dispute settlement mechanism comes in and then through bilateral discussions, through the fora which are available, they settle it.

Therefore, it is not correct to say that whatever is written here is going to be applied in letter and spirit because while implementing it, we will find that there may be many areas, grey areas are there, which will have to be clarified and those will come in the course of dialogue and discussion. (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Is it your proposal on social laws?

SHRI PRANAB MUKHERJEE: No, it is not there. That is why I am saying that you cannot bring it. (Interruptions)

SHRI SOMNATH CHATTERJEE: I want to ask about the social cost. It is rather disquieting. I do not know about it. You know about it as the Commerce Minister that the US and other developed countries have proposed a countervailing duty. In Marrakesh Declaration it will put a final seal of approval. Developing countries like India may as well as give up trading with US sponsored move to introduce the social costing into the price mechanism for exports become a reality. I would like to know what is your information and what is the response.

SHRI PRANAB MUKHERJEE: Exactly this is my problem, my concern. There is a pressure that it should be brought in. And this point was raised in an informal discussion at Davos also. There, first I raised it and many of the developing countries agreed

with us that these are extraneous issues. We are saying that it is not that we are not concerned with human rights; it is not a fact that we are not concerned with the labour rights; it is not a fact that we are not concerned with environment. But our points is, in each area, there is a separate forum. ILO is there; United Nations Human Rights Commission is there. And also we are committed to the Montreal Declaration, we are committed to the Rio Declaration so far as environment is concerned. But we do not want that this should be brought as a non-tariff barrier. If you say that the Uruguay Round of discussion has message and if that message is to create an uninterrupted trade flow from each of the developing countries to developed countries without any tariff barrier or without any non-tariff barrier, then simply in the name of the environment, in the name of the social cost, you cannot raise any fresh non-tariff barrier.

SHRI SOMNATH CHATTERJEE: That is what you are saying. But are they accepting it?

SHRI PRANAB MUKHERJEE: That is the position. Now if somebody wants to insist on it then what option we will have. Every country, it is not merely our concern, every 117 countries will have the right to say that you cannot simply bring it. So far as my information goes, the discussions which are going on, perhaps, in a day or two, it will be finalised. Many of the developing countries and some of the developed countries say that it should not be accepted. (Interruptions)

SHRI SOMNATH CHATTERJEE: Can you say this categorically on the floor of the House that the Government of India will never accept it? Kindly say this. (Interruptions)

SHRI PRANAB MUKHERJEE: My position is quite clear. *(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE: Because of this countervailing duty, the advantage that we have is the low level of economy. Let him say that. *(Interruptions)*

SHRI SOMNATH CHATTERJEE: Do not hedge it.

SHRI PRANAB MUKHERJEE: No, no. Let me explain. I am having an opportunity of having a discussion with a large number of countries. We are going to host ESCAPA. 50 countries are joining this session. Therefore, let us not formulate our views right now. Let us have a discussion with them. What I have said already is on record. I have said it in Davos. I have said it in Delhi that we do not want any extraneous issues to be raised. But surely, I cannot say that...*(Interruptions)*

[Translation]

SHRI NITISH KUMAR: Please also tell what purpose will it serve? *(Interruptions)*

[English]

SHRI PRANAB MUKHERJEE: I am making it quite clear that I cannot bind myself. *(Interruptions)* I am not committing myself; I am not binding myself in any way. Thank you, Sir. *(Interruptions)*

SHRI SOMNATH CHATTERJEE: Hon. the Commerce Minister has himself expressed great reservations. He said that it will be dangerous for us. If USA and other developed countries impose countervailing duty, where will you export? What will you export, Mr. Commerce Minister? This is his statement also. That is his apprehension also. But today India cannot stand up and say this.

The entire Parliament will support you. This is the surrender we have been com-

plaining. This is nothing but compromising our dignity. He cannot say that. The Cabinet Ministers cannot say that. What is this? It has to be clarified. Let Shri Pranab Mukherjee say...*(Interruptions)*... They must say that. What will happen if Super 301 is imposed? The whole Parliament will be with you Shri Pranab Mukherjee. Please stand up. ...*(Interruptions)*... They are talking of consensus. When we are offering it, they do not stand up. This is a spineless Government. This Government has become spineless; a coward Government. We cannot accept compromising our independence, our dignity and position. Therefore in protest we cannot participate in it.

18.11 hrs

At this stage Shri Somnath Chatterjee and some other hon. Members left the House.

SHRI SRIKANT JENA (Cuttack): On this issue we are also walking out.

18.11 1/2 hrs

At this stage Shri Srikant Jena and some other hon. Members left the House.

SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): He has not answered the questions that we have raised. Therefore we are walking out.

18.12 hrs

At this stage Shri Sobhanadreeswara Rao Vadde and some other hon. Members left the House.

SHRI BHOGENDRA JHA: Along with the USA, France also is reported to have supported this move. ...*(Interruptions)*... In such a situation US is being supported by France. According to the Final Act, France is a member of the ...*(Interruptions)*...

MR. SPEAKER: These things are not going on record. Why are you speaking? (Interruptions)* ...

18.12 1/2 hrs

At this stage Shri Bhogendra Jha and some other hon. Members left the House.

*(Interruptions)**

18.13 hrs

At this stage Shri M.R. Kadambur Janarthanan and some other hon. Members left the House.

MR. SPEAKER: He has made the point very clear. He, as a Minister, on his own, in such complicated matters, at the spur of the moment, is not expected to respond.

SHRI JASWANT SINGH (Chittorgarh): Thank you for permitting me to ask clarifications. Two or three of them are reiterations of the points that are made when I had an occasion to intervene. Those points have remained unanswered; but I feel they are sufficiently important. Firstly, I want to be clear in my mind about the understanding of the process. Is it correct that between authentication at Marrakesh on 15th April and subsequent ratification by national legislatures there is no option available to change anything in the Final Act? This point has been repeatedly made and it has a very direct relevance to what I am going to come to subsequently. The hon. Commerce Minister has asserted earlier on 15th December when we had a discussion that after 15th December it would be very difficult for any Government to change what is accepted on 15th December. Now it is going to be ratified on the 15th April. After authentication on 15th April and ratification

by national legislatures, which is a period which might last over nine months, is there any option for change? If there is no option for change, then how does the question of social costs come at all?

MR. SPEAKER: That point is clear.

SHRI JASWANT SINGH: Secondly, what is the status of the World Trade Organisation and National laws?

The point was raised by me that once the WTO comes into existence, national laws of the variety of US Section 301 must no longer apply. I wish to ask the hon. the Commerce Minister to clarify here that that will not obtain as soon as the WTO comes into existence. There still remains ambiguity on that score.

Fourthly, I had requested a clarification as to why Annexures 4(a) to 4(d) to the plurilateral agreement are not contained in the document that has been circulated. From what I understood from the hon. Minister's clarification, they have not been circulated because we are not a party to those agreements. My query even then is why we are not a party to it when this is an entire and total agreement. The first annexure is about trade in civil aircraft. Why are we not a party to the trade in civil aircraft? Second is about the government procurement. Why are we not a party to government procurement? The third is about international dairy agreement. What is it that has prevented us from becoming a member of the international dairy agreement. Fourthly, there was an agreement about bovine meet, which is, of course, understandable. These have not been clarified. I request the hon. Minister to kindly clarify.

SHRI DAU DAYAL JOSHI (Kota): Mr. Speaker Sir...*(Interruptions)*.. *

tries ask for an amendment, technically, it can be done.

MR. SPEAKER: What Shri Joshi is saying will not form part of the record.

SHRI JASWANT SINGH: Mr. Speaker Sir, if you permit my saying so..

SHRI PRANAB MUKHERJEE: Sir, hon. Member Shri Jaswant Singh has raised a very pertinent point about social causes. This exactly is the argument that I am using against those who are trying to include social causes. After seven years of strenuous exercise, we have come out with a document. If you want to make any change, then it will not be confined only to your desire. All the 117 countries would like to choose their options. Then, the whole Pandora's Book will be opened. This is the argument that we are using and we are saying that there should not be any change in the document itself. This is the practical point of view. But technically, it can be done. When the Ministers are meeting, it is not merely the Ministers of developed nations alone. There will be 117 Ministers and if all the 117 Ministers say that they want to make a change, legally there is no restriction. But practically, problems will arise. After a strenuous effort of seven years, whatever be the outcome, it cannot be one hundred per cent satisfactory to each and every one. It is true even in the case of powerful countries or a group of nations. Seeking a change would open a Pandora's Box. But legally speaking, the Ministers have a right.

MR. SPEAKER: That is what he said. This is not my statement!

SHRI JASWANT SINGH: Then I think that it becomes very necessary that the Commerce Minister should give us an assurance here that if such a situation arises...*(Interruptions)*

SHRI PRANAB MUKHERJEE: Jaswantji, I have not replied to your query regarding the annexures. Before you walk out, you may please listen to my clarification. I am not giving any assurance and in that event you are likely to walk out. So, before walking out, kindly listen to my reply as to why we are not a party to the annexures.

These points were made in the Tokyo Round of discussions. You know GATT and its jurisprudence. It has 40 volumes which runs into thousands of pages. Those things have been mentioned at the plurilateral agreement. These are the Agreements which going on from the Tokyo Round. In the Uruguay Round, they were not brought. In the Tokyo Round we were not party to it. Therefore in the Uruguay Round also there was no question of our being a party to it. This point has been clarified in Article II of the agreement establishing multilateral trade organisations. I will quote Article II which says:

MR. SPEAKER: If the requisite majority of the Ministers want it, they can do it.

SHRI JASWANT SINGH: Does that mean that the Final Act can be changed?

MR. SPEAKER: There is an amending clause which requires a certain number of countries. If that certain number of coun-

The agreements and associated legal instruments included in Annexures 1, 2 and 3 (hereinafter referred to as "Multilateral Trade Agreements") are integral parts of this Agreement, binding on all Members.

In regard to plurilateral agreement, in clause 3, they have said that these are not binding on those who are not Members or who are not going to accept it.

Now I will come to the first clarification which you had sought for. I would like to say that this will be the authenticated version of the Uruguay Round of discussions. The moment I authenticate it, I cannot change it. The moment these are recommended - the final results of the Uruguay Round of discussions which you are recommending to the respective countries either for their acceptance or for their rejection after 15th April to the sovereign countries by the Group of Ministers, then you cannot change. You can accept it or you can reject it. There has been a mention that the ratification should be made by our Legislature. So far as ratification is concerned, it mess under the jurisdiction of the executive. It is the Cabinet which should ratify it, it is the Government which should ratify it and not the Parliament.

SHRI JASWANT SINGH: Mr. Speaker, Sir, it should be very easy for the hon. Minister to say that between now and 15th April viz. the authentication of the Final Act, we will not accept US demands for social cause.

MR. SPEAKER: The categorical suggestions cannot be given by any Minister without consulting his Cabinet Members.

SHRI PRANAB MUKHERJEE: I am using this argument as to why it should not be brought. That was the spirit when I said that extraneous matters should not be brought to stand in the way of the Uruguay Round of discussion. That is my position. I have said it.

[Translation]

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Speaker, Sir, I object to the

observation of the hon. Minister of Commerce that we intend to stage walk out. At least we do not intend to stage walk out on our own sweet will. If compelled we will be forced to discharge our duty.

Recently I have come back after attending G-15 summit's last ceremony. The document approved by G-15 expresses the views of the developing countries. However, the document also points out that the affluent nations on the one hand are going to sign GATT and on the other hand are going to create more problems regarding trade.

Dr. Manmohan Singh accepted that the world is based on the principle of inequality. The question is whether inequality will increase or not? By signing this document intend to fight against inequality. I would like to know whether it will increase or we will jeopardise our sovereignty. In the afternoon also I raised this point and I am again raising it now. If Shri Mukherjee is not in a Position to reply there it is altogether a different matter. Shri Mukherjee in an interview to "Dainik Jagran" has conceded that the agreement is being signed under duress. In fact the agreement is not good but we will be isolated in the world. We want to be a part of world trade. Shri Jakhar is not present in the House. I would like to submit that if within six months it becomes clear that the agreement is not beneficial to the country and the farmers then will we be taking recourse to the withdrawal clause. I want categorical reply. Situation is serious. Please reply.

[English]

SHRI PRANAB MUKHERJEE: It has not yet come into force. Let it come into force and then we will see.

MR. SPEAKER: He says that he will cross the bridge when he reaches there.

[Translation]

SHRI ATAL BIHARI VAJPAYEE: Even before crossing bridge we will be drowned.

[English]

SHRI PRANAB MUKHERJEE: Let us to the bridge. We have not yet reached the bridge. We are far away from the bridge. Let us reach the bridge and then we will see.

[Translation]

SHRI ATAL BIHARI VAJPAYEE: This reply is not satisfactory. You have accepted that for enacting laws in this regard the Government will have to come to the Parliament. Our protests are on and even walk out will not resolve the issue. We stage walk out and announce that our protests will continue.

18.26 hrs

Thereafter Shri Atal Bihari Vajpayee and some other hon. Members left the House.

[English]

MR. SPEAKER: I must say that all the hon. Members participated in this debate in a very thoughtful manner and cooperated also. They deserve our congratulations.

MR. SPEAKER: The second item on the Agenda is a Statement by Minister.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Can I lay it on the Table of the House, Sir?

MR. SPEAKER: Yes, please.

18.26 1/2 hrs

STATEMENTS BY MINISTERS

(ii) Important changes in the Export and Import policy, 1992-97

THE MINISTER OF COMMERCE : SHRI PRANAB MUKHERJEE: I beg to lay on the Table a Statement containing important changes in the Export and Import Policy, 1992-97 as on 30-3-1994.

[English]

STATEMENT

Hon'ble Members are aware that the new Export and Import Policy was announced on 31st March 1992 for the five year period (1992-97). Subsequently, on 31st March 1993 I informed the House of the changes that we had made in the Export and Import Policy for the year 1993-94. In the revised policy special attention had been paid to the growth of exports in the agriculture and allied sectors and I am happy to inform you that those measures have yielded handsome dividends and our exports in the agriculture and allied sectors have grown by 45.3% during the last one year.

Another important liberalisation measure announced last year was the deletion of 144 items from the negative list of exports in order to give an impetus to our trade. Our exports have responded well to these changes and show an encouraging growth about 21% in dollar terms during the first eleven month of 1993-94 as against a growth rate of 3.8% in 1992-93 and negative growth of 1.5% in 1991-92. What is more heartening is that this step up in export

growth has been broad-based and spread across the entire range of export items. The important challenge for the future is to ensure that the tempo of export growth achieved in 1993-94 is not only sustained but accelerated.

Maintaining a healthy export growth is a prerequisite for continued viability of the country's Balance of Payments (BoP). Exports can also become the engine of industrial recovery in the country by extending the markets for the goods and services produced in the country. For exports to play this crucial role, we must ensure that our goods are internationally competitive in terms of price, quality and sustainability. It is good that exports have now been recognised as a national priority. Slowly, we are beginning to think in terms of producing for exports rather than exporting whatever is produced. This strategic shift can be sustained if we eliminate all procedural hurdles being faced by exporters.

It is with these objectives in view that we are making further changes to liberalise Export and Import Policy. These changes also reflect the results of our intensive interaction with the trade and industry and experience we have gained in implementing the policy over last two years.

Special attention has been paid to the simplification and streamlining of the procedural aspects of the EXIM policy. These changes have been made on the basis of the recommendations made by a Committee set up for this purpose. While making changes in the policy, care has been also taken to fully protect the interests of small scale industry which contributes 40% to our export basket and provides employment to over 1.35 crore people.

Export and Import Policy

I would now like to inform the House of

the important changes being made in the EXIM policy effective from today. With a view to give some more incentives to exporters having a proven track record in exports, the list of imports under the Special Import Licences is being expanded. However, while doing so, I have taken care not to allow items being produced in the country under the reservation policy for the small scale sector. In order to provide recognition and accord a place or pride to exporters who have performed well and have the potential of doing even better, a new category of Super Star Trading Houses is being introduced. Duty Exemption Scheme is being further simplified and input-output norms have now been finalised for 3383 items as against 2200 on 31st March, 1993. This will help in rendering efficient service to the exporting community.

Deemed Exports

In order to strengthen our industrial base, some more facilities are being given to indigenous manufacturers. Hereafter, the duty Free Licence holders will be able to source their goods from local manufacturers instead of importing the same with an added advantage of Deemed Export benefits. The facility of Advance Release Order has also been extended to Special Imprest Licences, Advance Intermediate Licences, Transferred Advance Licences and Sensitive list items in terms of value. Additional 20% flexibility permissible on Sensitive List items on Value Based Licensing will now be permitted on Advance Release Orders also. We also propose to give Special import Licences at the rate of 5% of FOR value of supply to Deemed Exporters who do not avail of the facility of the Duty Exemption Scheme.

EPCG Scheme

In order to provide quick and efficient service to the exporters, the powers to grant EPCG licence, presently centralised in the

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Office of the Director General of Foreign Trade, have been decentralised. Regional Offices can, henceforth, permit imports upto Rs. 25 lakhs. For fulfilment of the obligation under this scheme, third party exports have been permitted and the obligation shall be based on the exports of same product having nexus with the imported Capital Goods.

Duty Exemption Scheme

Duty Exemption Scheme has been an important instrument of our exports for the past many years. A few cases of misuse under Value Based Advance Licence Scheme have come to our notice for which appropriate action is being taken by the Government. However, a marginal misuse by unscrupulous elements should not be allowed to create hardship for the large number of genuine exporters. Value Based Advance Licensing Scheme has also its own merits. The Scheme is therefore, being continued with safeguards. Procedures have been simplified under the Duty Exemption Scheme. Minimum value addition under the Advance Customs Clearance permit has been reduced from 15 per cent to 10 per cent. Third party exports under the Scheme will now be permitted. With a view to rendering quick, efficient service to the exporting community, four Zonal Licensing committees have been set up at Delhi, Bombay, Calcutta and Madras, which will permit licences upto Rs. 1 crore in respect of cases where norms have not yet been fixed. Regional Licensing Authorities will continue to issue Repeat Licensing till the norms are fixed by the Special Advance Licensing Committee. Revalidation and export obligation procedures have been further streamlined by permitting Regional Offices to allow extension up to 12 months. Regional

Licensing Committee can also permit licences upto Rs. 10 crores, where norms have been fixed. The earlier limit for granting licences at 125 per cent of last year's exports has been enhanced to 150 per cent under production programme. Regional Licensing Authorities can now regularise shortfall upto 5% in value terms.

Legal Undertaking /Bank Guarantee

To ensure cost effectiveness and in order to make the life of exporters less bothersome, Legal Undertaking has been further rationalised. LUT limit granted to Export Houses / Trading Houses / Star Trading Houses which was 3 times of the last year's exports will now be 5 times and in respect of other exporters, LUT limit has been enhanced to 2 times from 1 1/2 times permitted earlier. Unlimited LUT facility has now been extended to Super Trading Houses.

Exporters under advance Licence Scheme can now give the Bank Guarantee in two parts in respect of licences issues for a value of Rs. 1 crore and above. In other cases they can replace their original Bank guarantee with a reduced value after completing 50 % of exports.

The requirements of supporting manufacturer to be indicated in the DEEC Book has been dispensed with. Licence holders under the DES Scheme are now fully responsible for the import of items and its export obligation. They can have material processed through any of the units including jobbers. In case the original buyer has cancelled the order, the exporter under the Duty Exemption Scheme can now export to any other buyer abroad without asking for specific permission from D.G.F.T.

Special Import Licences

The incentive provided to the exporters by way of Special Import Licences was not serving the desired objective and the premium on these freely tradable Special Import Licences had dropped to very low level on account of general import liberalisation. Necessary impetus and incentive to our exporters at this crucial juncture to sustain our export efforts is of paramount importance. To make the Special Import Licences financially more attractive, a number of items relating to health care, sports communication and office equipment, some Consumer goods/Consumer durable not reserved for SSI units, and components are now being permitted for import through Special Import Licences. All existing valid licences and the ones issued hereafter will be eligible for import of these items on payment of normal customs duty. However, Gold and Silver will now be importable against Special Import Licences on payment of concessional rate of Customs duty in foreign exchange, as applicable to incoming passengers, by the holders of EEFC account.

Super Star Trading Houses

While the contribution of the small exporters in the country's export development programme is fully appreciated, top exporters of the country have to be accorded appropriate recognition and encouraged to further raise the level of their performance. A new category of Super Star Trading Houses has been created and all those exporters with trade turnover of Rs. 750 Crores average FOB during the preceding 3 Licensing years or Rs. 1000 Crores during the preceding year are eligible to become the Super Star Trading Houses. Such Trading Houses will be entitled to the (a) Membership of APEX Consultative Bodies concerned with Trade Policy and promotion, (b) representation in important business delegations, (c) Special permission

for Overseas Trading, and (d) Special Import Licences at enhanced rate.

Certain types of service exports like software, professional services rendered abroad including overseas consultancy service contracts will now be counted towards the eligibility of Export Houses/ Trading Houses/Star Trading Houses/Super Star Trading Houses.

Facilities to Handicapped persons

While making changes in the Export and Import Policy, we have also kept in view the needs of handicapped persons. They are now permitted to import cars fitted with special controls. Items relating to computerised Braille printing presses, Text Reading System for Visually Handicapped, Aspherical lenses of magnification like spectacle magnifier, hand held magnifier and table magnifier will now be permitted to be imported freely. Similarly, artificial limbs for physically handicapped and disabled and Frequency modulated hearing aid systems for hearing handicapped persons in group situation will also be freely importable to make their life comfortable.

Import of Second Hand Machinery

Under the simplified policy, second hand capital goods can now be imported by Actual Users at normal duty without obtaining a licence, provided the second-hand capital goods have a minimum residual life of five years. The condition of maximum 7 years age as well as submission of Chartered Engineer Certificate for the import of second-hand machinery has been dispensed with. However, in case of machinery of value exceeding Rs. 1 crore, certification of value by reputed International Certification Agency has been prescribed. This step will not affect the indigenous machinery manufacturers as the import continues to be restricted to Actual User only but at the

[Sh. Prarab Mukherjee]

EOU / EPZ / EHTP

same time it will provide freedom of commercial judgement to the industry either to source their requirements from indigenous sources or to import the second - hand capital goods.

Negative List pruned

Under the current Export and Import policy, import of capital goods, raw materials, intermediates, components, consumable, spares, parts, etc. is freely allowed except consumer goods and a few items of raw materials and components. Some components required for the manufacture of finished products in the electronic industry have been taken out of the Negative List. Fisherman can now import Out Board Motors freely. Relaxation has been provided for the import of prototypes/samples for product development. For the import and export of items which are not covered by the Negative Lists of Exports and Imports, the restriction of value addition, etc. which was acting as an irritant has been removed. To provide matching facilities to the foreign exhibitors participating in International Fairs/exhibitions being held in India, facility to sell items of Restricted List upto a c.i.f. value of Rs. 5 lakhs on payment of normal Customs duty has been provided.

Export of items reserved for SSI sector

In order to strengthen the export production base, manufacturers of items reserved for SSI sectors, are permitted to increase their capacity by way of investment in plant and equipment beyond Rs. 75 lakhs provided they undertake a minimum export obligation of 75% of their annual production. Registration of such units will be permitted by the Secretariat for Industrial Approvals and discharge of the relevant export obligation shall be monitored by D.G.F.T.

The EOU / EPZ sector constitutes an important area of India's export endeavours. In order to bring in greater flexibility to this sector EOU / EPZ scheme has been harmonised with other export promotion schemes like EHTP, which provides greater flexibility in operations for electronic units in regard to minimum value addition and domestic access. Areas of activity in EPZs have been broadened by providing for trading, re-export after repacking and labelling and also repairs, reconditioning and re-engineering. The requirement of prior approval of Development Commissioner of EPZs for inter-unit transfer has been dispensed with. Debonding modalities have been liberalised and procedures for third party exports by EOU / EPZ units have been further simplified.

In conclusion, let me say that we attach great importance to export facilitation and support all the efforts made by the exporting fraternity in order to place India at Centre stage in the multilateral trading set up. The exporting community will continue to receive our full support to ensure that our present achievements act as spring board to put us on the fast track so far as exports are concerned, making India a major player in international trade.

[English]

(iii) Incident at 2. Field Ordnance Depot, Srinagar

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI MAJ. LIKARJUN): Mr. Speaker, Sir, It is with a deep sense of sorrow that I inform the House of a tragic incident on the 29th March, 1994, in which 13 personnel of the Indian Army including a Maj. Gen and one civilian lost their lives.

explosion followed by a fire took place in 2 Field Ordnance Depot (FOD), Srinagar, in a separate enclosure housing arms and equipment captured from the terrorists in the Kashmir Valley. At the time of the explosion, the captured items were being shown to a group of officers. Due to the prompt action by the Army, the fire was brought under control before it could spread and damage other items stored in the FOD. As a result of the accident, eight officers including a Maj. General three JCOs, two Other Ranks and one civilian were killed and ten persons injured.

The FOD is located at Badami Bagh, the Cantonment area of Srinagar. The staff of the FOD consists of both Army persons and civilians. The FOD is well protected with a fully co-ordinate three tier security arrangement being provided by the BSF, the Defence Security Corps and the Army. At or around the time of the accident no militant activity, including firing of any kind was observed. A Court of Inquiry has been ordered. A team of experts has also been despatched to Srinagar to assist the inquiry.

18.29 hrs. _____

OBSERVATION BY THE SPEAKER

[English]

MR. SPEAKER: I have to inform the House that on 18th March, 1994, a notice has been received from the Assistant Reg-

istrar of the Supreme Court of India (Civil Original Jurisdiction) requiring to show cause in connection with Case no. 6 of 1994, arising out of Writ petition No. 860/94 filed before the Jodhpur bench of Rajasthan High Court and withdrawn to the Supreme Court, seeking to challenge the method of transfer of judges of High Courts and appointments of judge of the Supreme Court and High Court.

(Interruptions)

MR. SPEAKER: I do not know why it was sent to me.

As per well established practice and convention of the House, I have decided not to respond to the notice. The Minister of State in the Ministry of Law, Justice and Company Affairs is being requested to take such action as he may deem fit to apprise the Supreme Court of India of the correct constitutional position and the well established conventions of the House.

And that the Speaker is not responsible for the transfer of judges! I Thank you, very much.

18.30 hrs.

(The Lok Sabha then adjourned till Eleven of the Clock on Monday, April 18, 1994/Chaitra 28, 1916. (saka)