

In this connection, I would like to submit that the Apprentices Act, 1961 is a piece of welfare legislation and launching prosecution was not its primary objective. On the recommendation of the Standing Committee, we are proposing to increase it. But it would not give any result.

Sir, my hon. friend, Shri Basu Deb Acharia, has raised a pertinent question. He has complained that the trainees who have got training in the establishments were not given jobs. I hope the recent judgement of the Supreme Court would take care of this.

The judgment is that those who are getting training or those who are taking apprenticeship training have to be given preference.

With this, I request the House to pass this Bill.

SHRI BASU DEB ACHARIA : But that has not been complied with.

SHRI M. ARUNACHALAM : The judgement has come very recently.

SHRI BASU DEB ACHARIA : The instructions are issued from the Ministry of Labour particularly to the Ministry of Railways because the Railways recruit a large number of candidates every year. So, such instructions should be issued from the Ministry of Labour to the Ministry of Railways. The Ministry of Railways should also follow that judgment or comply with that judgement.

SHRI M. ARUNACHALAM : Very recently that judgment has come. We will follow it.

SHRI BASU DEB ACHARIA : Okay.

MR. DEPUTY-SPEAKER : The question is :

"That the Bill further to amend the Apprentices Act, 1961, as passed by Rajya Sabha, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY-SPEAKER : The House shall now take up clause by clause consideration of the Bill.

#### **Clauses 2 to 8**

MR. DEPUTY-SPEAKER : The question is :

"That clauses 2 to 8 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 to 8 were added to the Bill.*

MR. DEPUTY SPEAKER : The question is :

"That Clause 1, the Enacting Formula and the Long Title Stand part of the Bill."

*The motion was adopted.*

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

SHRI M. ARUNACHALAM : I beg to move :

"That the Bill be passed."

MR. DEPUTY-SPEAKER : The question is :

"That the Bill be passed."

*The motion was adopted.*

14.37 hrs.

#### **DISCUSSION UNDER RULE 193**

##### **(i) India's Stand on Singapore Declaration of World Trade Organisation - Contd.**

MR. DEPUTY-SPEAKER : Now the House shall take up further discussion regarding Singapore Declaration of WTO. Shri Premchandran.

SHRI N.K. PREMCHANDRAN (Quilon) : Thank you Mr. Deputy-Speaker, Sir, for giving me an opportunity to participate in the discussion regarding the WTO Conference which was held in Singapore.

Sir, the recently concluded Ministerial Conference of the World Trade Organisation held in Singapore brings acute apprehensions to the economic sovereignty of India. Even the Declaration at Singapore Conference of the World Trade Organisation is not clear. It is vague, it is ambiguous and it is indefinite. It can be interpreted in so many ways in future. Hon. Minister of Commerce has also placed a statement regarding the WTO Conference held at Singapore. I would like to say that that statement is also not complete and not comprehensive because the statement which was placed on the Table of the House is only stating the factual situation and other factual things — what happened or what occurred in the Singapore Conference. The mission of the Indian delegation to the Conference has not been stated in the statement. What was the stand of the Government of India, what had been the approach of the Government of India which was taken or which was delegated by the delegation in the Singapore conference were not stated, as a preamble or as a preface to the statement.

Hence I would like to say that the statement which had been tabled in this House itself is not complete, and it will become complete only when the statement starts with the 'objects and aims' which the Government had taken in the Conference is specifically stated as a preamble or as an introduction. We cannot also say, how far the Government of India has deviated from the traditional path of consistency to a shifting stand.

At the outset, I would like to say that this is really a change or a shift from the traditional path of consistency of India. India is having a consistent stand

regarding these issue. Even when we go back a decade ago and see, we are well aware of this stand in the Uruguay Conference and in the Marrakech Conference.

India was well opposed to so many policies which they wanted to introduce as agenda of the World Trade Organisation and also in those conference. It is well known that we are vehemently opposed to the social clause, including the social clause agenda of the World Trade Organisation and the patent clause also.

I learnt from the newspapers that the Government of India had convened a conference of senior political leaders. It was committed that no new issues will be discussed in the WTO Conference. What happened in that Conference? That is to be looked into. Paragraph 2 of the statement says:

"The major focus of discussions at Singapore pertained to the future work programme of the WTO, including new issues. The new issues included: (i) Core labour standards; (ii) Investment; and (iii) Competition policy."

It very specifically states that we have shifted from our traditional path of consistency. Our traditional stand has been deviated by this. That is why the leading newspapers described that it was a somersault. It is an about-turn stand taken by the Government of India in that Conference.

Coming to the points one by one, the first one is 'core labour standards'. What is the purpose to incorporating it? What is the purpose of including this labour issue 'core labour standards' as an agenda item of the WTO? I could not understand the reason. The Government of India is very proud to state in the statement that we did not sign a treaty or a treaty has not been concluded in the Conference. India has not signed a treaty.

There is the International Labour Organisation dealing with all these labour standards and setting all these deals. What is the reason by which the labour standards have been included in the Conference? That is why the Left parties since the inception of the WTO have been agitating and alleging that the WTO is going to replace the UNO. The ILO is going to be replaced by the WTO or by the study groups which are being constituted. This organ of the UNO would be replaced in future by the WTO. That is why we are vehemently opposing this Motion.

What would be the position if the core labour standards are going to be determined by the WTO considering all the aspects of our country, that is, the carpet industry and also the textile industry? What would be the fate? Suppose the labour standards are being determined, considered and controlled by the WTO. Then, India's future will be in dark. As I have already stated, India is having a good labour force. It is an

exportable commodity. The immigration of labour from our country to another country will also be barred. So many sanctions will be anticipated by including this matter in the agenda itself.

Paragraph 4 of the Declaration very specifically states :

"We renew our commitment to the observance of internationally recognised core labour standards. The International Labour Organisation (ILO) is the competent body to set and deal with these standards, and we affirm our support for its work in promoting them."

Then, what was the reason by which it was being incorporated and included as an agenda item of the WTO Conference held in Singapore?

Now, I would raise the point about advantage of being a low wage country, like India. The advantage of a low-wage country like India will be questioned in future. There is no doubt about it. Including this matter as an agenda of the WTO Conference is only the beginning. Supposing the next biennial Conference is going to be held in 1998 and some sanctions on labour standards will be determined. I apprehend that will be discussed later and some treaty will come into effect.

Now I come to the point about working groups. It has been very clearly stated in the draft declaration and also the statement presented by the hon. Minister. Two working groups and study groups have been organised or constituted. The first one is regarding trade and investment and the second one in regarding transparency of the Government. India was vehemently opposing it at the beginning of the Conference. Also prior to the Conference, India was opposing to the constitution of the study groups. Why? It was because that in future they will become working groups of the WTO and they will determine the terms and conditions regarding each trade investment and competition. That is why we were opposing it. But unfortunately, we have given sanction of being a party to the Treaty. We have given our consent to constitute two study groups.

Regarding the first one, a justification has been given in the statement in para 20. It is stated that the study groups are only based on TRIMS, that is, Trade Related Investment Measures. It will not lead to multilateral agreement on investment. That is why India has agreed to the Treaty. If our Government and the official delegation were quite confident that it will never lead to the multilateral agreement on investment, why did India oppose the move to constitute the study groups at the beginning of the Conference? Was India not aware of it? Is it not leading to the multilateral agreement on investment? So, it is a going back. I have

stated about the shift in our persistent stand. It is a shift in our consistent stand about constituting these study groups.

Regarding transparency, I would like to read paragraph 21:

"We further agree to establish a working group to conduct a study on transparency in Government procurement practices, taking into account national policies, and, based on this study, to develop elements for inclusion in an appropriate agreement."

What do we mean by the word 'transparency'? What is the extent of transparency? Even the parliamentary democracy in India will be questioned. The supremacy and sovereignty of our country will be questioned by these developed countries.

I do belong to the Standing Committee on Science and Technology. We have examined the new herbal petrol developed by Shri Raman Pillai. Suppose the WTO initiates the study on transparency regarding industry, investment, new investments and innovations, what has the Standing Committee to do about it? Will transparency be examined by the WTO? Is it to be disclosed before the committee or the authorities concerned that we are going to experience such and such a thing and the investment or our economic policy or export policy will be like this? Even before presenting the Budget, is it to be scrutinised by these authorities concerned? How will transparency of the Government be determined? The transparency is going to be looked into. The economic sovereignty of our country will not be trusted. There is a study group. That will become a working group and that will initiate these programmes. As a matter of fact, the country is going to lose in so many things. Political sovereignty and economic sovereignty of the country will be under threat and that will also be curtailed.

The developing countries, like Malaysia, have shifted their stand. I do agree with the G-15 Summit held in Harare. All the countries were in support of us. All the developing countries were following this move. But Malaysia shifted its stand in the Singapore Conference. That is why we have also been forced to endorse the views of the Conference. That also showed that the G-15 Summit was a failure in the sense that India was not able to give leadership to the developing countries. That is also a failure on the part of the Government of India.

Now I come to diplomatic failure of our official delegation. I am not questioning the integrity of the official who led the Indian delegation. It is learnt that in the Marrakash Conference, our official team was led by Shri Anwar-ul-Huda. A criticism has come in some leading newspapers that he has resigned from service

within ten days after the date of the Conference and he has joined the WTO Secretariat. Now also, the delegation has been led by some official. It is learnt from some newspapers also that he is going to retire by 31st December this year. They are very intelligent officers. But it is also to be looked into that at least in future India has a stand of consistency. We are always standing for our economic and political sovereignty, and for integrity of our country. That is going to be curtailed. So, that situation is to be met by the whole country and by this whole House. Hon. Member, Lt. General Prakash Mani Tripathi from BJP, has rightly pointed out that our country is facing so many crises.

These are all criticisms, I admit but what positive measures are to be taken? India should unite together. What is the position of our country? We are faced with the problems of price rise, unemployment, poverty and oil pool deficiency. Everything is adverse to our country. This is the position on the economic side. And on the other side, there is corruption involving crores and crores of rupees. During the income tax raids, malpractices and so many other offences come to light. This way the integrity and image of the country is being lost in the world. The developing countries do not have faith in our country. So, we should stand together to fight against these forces. India should strike to give leadership to the developing countries of the world. We, as democratic sovereign republic, should take the initiative to give the leadership to the Third World countries. Then only we can fight these moves to curtail our sovereignty. India's right to have its own foreign policy can never be curtailed by means of any treaty or accord. This should be kept in mind. In future India should move in this direction. With these words I conclude my speech.

[Translation]

PROF. AJIT KUMAR MEHTA (Samastipur) : Mr. Deputy Speaker, Sir, after the Uruguay Round of Talks, the declaration regarding Labour and Multilateral investment in the recently concluded Ministerial Conference of the World Trade Organisation held in Singapore is not insignificant. In the wake of Liberalisation, even though India is known for Neem, Haldi (Turmeric) and Tulsi, foreign countries have got the right to Patent these products. These events are not at all insignificant and do have far reaching implications.

Though it is true that the developed nations would use the provisions related to labour and multilateral investment as a means of exploitation but this does not mean that WTO is all bad. The moot point is that we have to utilise WTO to subserve our interests and how best this can be done, depends on our grit. We are of

the firm conviction that in case of labour the ILO was already functioning and now the WTO should enter this field. The only cause of concern is the way America and other developed nations are influencing the resolutions and declarations of WTO and getting them passed. We are concerned because the study group which has been constituted will become effective and we have been a failure inspite of our best efforts. Earlier also it has been said that we had to change our stand because Malaysia changed its stand. The hon. Prime Minister also said later that we can review the situation after two years and again change our stand if need be. But what is the guarantee that we would be successful at that time when we have been unsuccessful this time. Therefore we have to be cautions from now onwards. We know that we do not have lot of capital and moreover we have lot of labour force. Labour is our strength. We believe that if capital can be invested anywhere and it gets certain benefits, Labour should also get those benefits. Labour is equally important for production as capital. Therefore if capital gets certain benefits and Labour does not get them, it would not be in our interest.

Sir, in the Singapore Conference, we bowed to the wishes of the KWAD nations. We feel that we have been successful but infact we have not been able to get the ban on export of readymade garments to America removed and that is where we have failed. It is said that if we had insisted on our stand, we would have been alienated and ignored. Sir, I think this is not true. You would recall that once we were heading the developing nations but today we are not in that position. We are not successful on the economic front. Unless we revamp our economy and become strong, we will not be able to bad the developing nations. We came to realise the sense of alienation during the elections to the Security Council. Nothing would have happened if one or two countries would have been against us but our interests should have been safeguarded. We know that Indian contribution of world trade is insignificant and this can be raised only when we pay more attention to our agro-industry and cottage industry.

I am glad that India has changed its priorities and emphasized the need for more production. The Planning Commission is working on this. We hope that in the coming days the Government's priority will be to promote cottage industry and agro-industry. This would enable us to increase our contribution to the World Trade. I would like to mention that we should not be afraid of WTO and instead of bowing to their pressure we should try to influence the WTO and be firm on our stand. How one country influences the WTO depends on the skill and ability of that nation. I would like to submit that our delegation to Singapore should have been more strong. Those who have been successful at such forums, like Shri Inder Kumar Gujral, Atal Bihari Vajpayee, should

15.00 hrs.

They can influence people behind the curtain. With these words, I urge the Government to be more cautious in future.

SHRI S.P. JAISWAL (Varanasi) : I fully agree with what the hon. Member has said and would like to thank him through you.

[English]

SHRI G.M. BANATWALLA (Ponnani) : Mr. Deputy-Speaker, Sir, The Singapore Declaration of the World Trade Organisation is before the House. There is no doubt in the fact that there has been a compromise; there has been a retreat; there has been a shifting of the stand by the Government of India on the various issues. Repeatedly, the Government of India had made its stand clear and it cannot simply be denied that there was a retreat and a compromise on that situation. I do not understand why the Government fights shy of making this admission here, in this House. I am sure that the entire House will rise as one man with the hon. Minister and the Government in the protection of the national interests and for the steps that need to be taken in future. This, however, in one aspect, an important aspect of the entire Declaration.

There is also another aspect. It cannot also be denied that there are important positive aspects of the WTO Declaration. It does have certain positive aspects and the House needs to concede to the Government the credit for these positive aspects. We may take up the various issues one by one and have a bird's eye view of the scene.

Let us take up the question about the Core Labour Standards. The Declaration clearly says, and I quote :

"The International Labour Organisation is the competent body to set and deal with these standards."

That the Declaration concedes that it is the ILO which is the competing body to deal with the issue, is definitely the positive aspect of the entire Declaration, for which the credit has to go to the Government, which has been working against all odds. Not only that, the Declaration further says, and I quote :

"We reject the use of labour standards for protectionists purposes."

This is also a very important positive aspect because the dumping practices have been rejected and some such other practices have also been rejected by the WTO.

Then, the Declaration further goes on to say, and I quote:

"...And agree that the comparative advantage of countries, particularly, low-wage developing



countries must in no way be put into question."

Now, these undoubtedly are the positive aspects as far as the labour standards are concerned. Give even the devil its due. That does not mean that I am calling the Government devil. It is only a way of emphasising that. Here we have a Government which has been working at heavy odds.

Of course we would have liked and we would have appreciated if the WTO declaration had no reference whatsoever to the labour standards. We would have appreciated that. We would have welcomed that. It is because if today the door opens of the WTO to speak about the labour standards it may give some opinion tomorrow, they may as well think of revising their opinion. That danger is there. But as far as the short-term things are concerned I do not think that there is any immediate danger of any adverse impact on the country's trade.

Mr. Deputy-Speaker, Sir, if we look at the issue concerning trade and environment, the Declaration has only taken note of the work of the Committee on Trade and Environment, and has merely directed that the work should be continued. It has also conceded this and I quote :

"The work of the Committee has underlined the importance of policy coordination at the national and I repeat 'national' level in the area of trade and environment."

So, we find that with respect to labour and with respect to environment, there is no imminent danger or any adverse impact on the country's trade.

However, when we come to the question of trade and investment, there is a serious setback. The Declaration has called for future negotiations or review on trade-related investment measures. A Working Group or a Study Group is there to study the relationship between trade and investment. Of course, here also there are certain minor positive aspects to it. We have succeeded in restricting all this to only trade-related investment measures. Thus the field is restricted. Secondly, it is agreed that the work undertaken shall not prejudice the scope of future negotiations where such negotiations are called for. However, these are minor positive aspects in the matter.

There is a danger of uniform investment policy. We cannot agree to that. That will not only play a havoc with our trade and investment and our economic policy and economic situation but that will also compromise us on the question of our sovereignty. Our sovereignty, our national interests cannot be compromised on any count whatsoever. This, therefore, is one of the serious aspects of the WTO

Another very serious aspect of the WTO's Singapore Declaration is with respect to the competition policy. India had advocated that the issue be studied in the United Nations' Committee on Trade and Development and not at the WTO. But, however, we failed and the contention has been rejected. The Working Group has been set up to study anti-competitive practices and to identify areas that may merit further consideration in the WTO framework.

Now, Sir, all this will have very serious long-term repercussions. We have to take them very seriously. An attitude of complacency cannot be there.

Then, Mr. Deputy-Speaker, Sir, the entire statement made by the Minister does not refer at all to one very serious question, that is, the question of Government procurement. Here, according to the Declaration, India is wide open to the danger of external pressures in future in this respect. If we study the Declaration, we find that, through the Declaration, the Government of India has surprisingly agreed to (1) not only to the establishment of a Working Group to study transparency in Government procurement but also (2) to have appropriate agreement in future based on this study.

Sir, this is a serious threat to our sovereignty and to our whole economic system. This is a serious threat to our national interest. This is a serious threat to our policy with respect to domestic industry.

Mr. Deputy-Speaker Sir, I should conclude by saying that if we study this Singapore Declaration, we find that it is a mixed bag of disappointments and cheers. Therefore, the House must have a balanced approach to the entire question.

Sir, two more points I will hurriedly put and conclude. The first is that the Declaration refers to the Government's coming out hurriedly with legislation needed to implement WTO rules. Members, we are told, must be mindful of their obligation to complete their domestic legislative process without further delay. That is the direction given by the WTO. But I would like to know from the Government, what further legislation is India expected to come up with in order to fulfil the wishes and the rules of the WTO. That is an important aspect with which this House would be concerned. We have already passed certain unfortunate Bills, I would not go into the past and into their details.

The second point which I would like to mention before I conclude is, that we have lost ground as far as the export, say, of garments is concerned. The Government, through the Declaration has failed to secure further liberalisation which would have furthered and promoted our garment exports.

However, we cannot find fault with the Government at every step. The Government was working against

heavy odds. It has secured a mixed bag of disappointment and cheers. The entire Declaration represents the outcome of the art of the possible. But then the Declaration is a challenge to be met in order to protect ourselves for which the work must start in right earnest right now in order to see that our points of view really prevail in the international comity.

In future, more and greater care will have to be taken. The delegations will have to be strengthened and good preparatory work will have to be done before entering into such crucial international meetings. Thank you.

[Translation]

SHRI GANGA CHARAN RAJPUT (Hamirpur) (U.P.) : Mr. Deputy Speaker, Sir, I am on my legs to share one information with you. Today my aunt's (father's Sister) son, while coming from Jhansi, was abducted near Moth Police Station by some 20-25 goonday and tiskid him away to some unidentified place. I have just now received a telephonic message from my home at about 1.30 P.M. I have also tried to contact the Superintendent of Police and the D.I.G. of that area on phone. But all the phones are held up and I could not contact any of them. After that I had also tried to ring up the D.I.G. Office at Lucknow, but no official is available there. I seek your protection Sir, out of the members of my family is in the custody of these people and they will certainly kill him. They are 20 to 25 in number and all have Rifles. This is the present situation in Uttar Pradesh, there is no law and order. He has been abducted just in front of the Police Station and Police and nothing. My whole family is disturbed and I fear that we will certainly be killed. Therefore, Mr. Deputy Speaker Sir, I will sit on a 'Dharna' in the House itself till the Government does not recover my aunt's son and made arrangements to get me in touch with him. Mr. Deputy Speaker, Sir, I am going to sit on a 'Dharna' in this House.

MR. DEPUTY SPEAKER : There is no need to sit on Dharna. You have brought this incident to our notice.

15.16 hrs.

*At this stage Shri Ganga Charan Rajput sat on the floor near the Table.*

[English]

MR. DEPUTY SPEAKER : I will request the Government to take action.

[Translation]

If you want action then I am asking the Government. You please take your seat, we will take case of your problem.

[English]

Please go to your seat.

[Translation]

What will you gain from this 'Dharna'. You want action.

(Interruptions)

MR. DEPUTY SPEAKER : Then I will be compelled to say...

[English]

Nothing will go on record unless you go to your seat. Please go to your seat. Again I request you, please go to your seat...

[Translation]

see, this is a serious matter, I would like that the Government should take notice of it, I am giving the directions.

15.17 hrs.

*At this stage Shri Ganga Charan Rajput went back to his seat.*

[English]

MR. DEPUTY SPEAKER : The hon. Minister is to reply now... (Interruptions)

[Translation]

MR. DEPUTY SPEAKER : Let it be completed first.

[English]

SHRI RAJIV PRATAP RUDY (Chapra) : Before the Minister replies, I would like the House to take the matter under Rule 193 regarding deterioration in the standard of sports in the country as suggested by the hon. Speaker.

SHRI G.M. BANATWALLA (Ponnani) : This has to be first completed.

[Translation]

MR. DEPUTY SPEAKER : We will take up that matter after completing it.

[English]

SHRI RAJIV PRATAP RUDY : If you could give me two minutes' time before 3.30 then I will initiate that. The hon. Speaker has suggested it from the Chair.

SHRI G.M. BANATWALLA : Let him reply.

[Translation]

SHRI RAJIV PRATAP RUDY : Hon'ble Speaker has desired that the discussion on the determination of sports may be initiated before 3.30 P.M.

[English]

so that it can be taken up and the debate can be carried forward to the next Session.

SHRI G.M. BANATWALLA : It cannot be done like that.

SHRI RAJIV PRATAP RUDY : It is done like that.

[Translation]

MR. DEPUTY SPEAKER : All right. I understand it, we will get it done.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : Mr. Deputy-Speaker, Sir, I have listened with great interest to the views expressed by hon. Members of Parliament on both sides of the House in the short duration discussion initiated by Shri Ramendra Kumar and General Tripathi. I am grateful to them for the valuable advice given to me and my Ministry regarding the Singapore Ministerial Conference and future action arising out of them. Please let me begin my reply by assuring the House that the views expressed yesterday and today - actually three days - will be given the utmost consideration.

A number of issues were raised during the discussion. I would like to concentrate on the major issues in my reply. Perhaps, the issue that aroused maximum discussion was that relating to labour standards. In fact, a number of Members have touched on this point. That is why I want to cover this major issue first because the time is going to finish. This issue was raised by all the Members who participated in the discussion. Please let me explain once again the facts of the case.

The proposal of the USA, backed by the Norway and European Union, had been to establish a Working Party in WTO to study the relationship between trade and core labour standards. This was strongly resisted by developing countries, including India and some developed countries which maintained that the issue of labour standards falls within the competence of the ILO and that once a Working Party was established in the WTO it could lead to the formulation of rules which would allow protectionist measures against certain countries allegedly not observing these standards.

The sponsoring developed countries then climbed down very substantially from their original proposal and wanted only a statement made by the WTO members reaffirming the observance of the Core Labour Standards.

Developing countries including India, South Africa, Pakistan, Mexico, Indonesia, Bangladesh and others

then insisted that even if a simple affirmation of commitment is to be made, it should be accompanied by the following specific stipulations:

- (i) That ILO is the competent body to set and deal with labour standards;
- (ii) that labour standards can only be promoted through economic growth and trade liberalisation;
- (iii) that the use of labour standards for protectionist purposes should be categorically rejected;
- (iv) that the comparative advantage of countries, including low wage developing countries should to be called into question;
- (v) no Working Party should be established in WTO to examine the relationship between trade and labour standards.

The Declaration fully meets these stipulations. Hence, it can be considered to be a signal victory for the developing countries. Besides, by including this in the Ministerial Declaration, we have ensured that the issue will never surface again on the WTO Agenda, as the highest decision making body, namely, the Ministerial Conference has considered and given its verdict against WTO taking up any work in this area.

In this connection, I would also like to invite the attention of the hon. Members to the concluding remarks by the Chairman of the Ministerial Conference, namely, the Minister for Trade and Industry of Singapore. I quote:

"In the first place, with regard to paragraph 4 - Core Labour Standards - we have agreed on a text which sets out a balanced framework for how this matter should be dealt with. The text embodies the following important elements : *First*, it recognises that the ILO is the competent body to set and deal with labour standards. *Second*, it rejects the use of the labour standards for protectionist purposes. This is a very important safeguard for the multilateral trading system and in particular for developing countries. *Third*, it agrees that the comparative advantage of countries, particularly low wage developing countries, must in no way be put into question. *Fourth*, it does not inscribe the relationship between trade and core labour standards on the WTO Agenda. *Fifth*, there is no authorisation in the text for any new work on this issue. *Sixth*, we note that the WTO and the ILO Secretariats will continue the existing collaboration, as with many other inter-

governmental organisations. The collaboration respects fully the respective and separate mandates of the two organisation. Some delegations have expressed the concern that this text may lead the WTO to undertake further work in the relationship between trade and core labour standards. I want to assure these delegations that this text will not permit such a development".

The second issue raised here by all the participants related to investment and competition policies. India has always consistently taken the stand that the WTO should not undertake negotiations to conclude a Multilateral Agreement on Investment (MAI). We have always maintained that the investment policy is related more to development than to trade and therefore the national government must be the sole authority for determining the manner in which the flow of foreign direct investment should be regulated.

India continued to strongly oppose the inclusion of any discussion on a Multilateral Agreement on Investment during the Singapore Ministerial Conference. India also maintained throughout that a separate discussion on MAI was not necessary as Article 9 of the TRIMS Agreement provides for a review for implementation of the Agreement as well as consideration of Investment Policy and Competition Policy issues by the Year 1999 or, as they said, before five years from the date of signing. India's concern in this area was fully taken on board. It was decided that Working Parties will be constituted to study Investment Policy and Competition Policy within the Framework of WTO Agreements including Article 9 of the TRIMS Agreement. It was also mandated that this study will take at least two years and the negotiations, if any, regarding multilateral disciplines in these areas, will take place only after an *explicit consensus* decision is taken among the WTO members regarding such negotiations. It is because we want to ensure that not any single party can be able to veto it at the time of next Ministerial Conference by the year 1998. So, our options were kept tall and we also made it very clear on this point without any hesitation whatsoever. As per the TRIMS Agreement, there is clearly no such provision but we have added to that and made it more security worthy.

The political commitment contained in the Declaration, to the effect that future negotiations, if any, regarding multilateral disciplines in the areas of investment policy and competition policy will take place only after an *explicit consensus* decision is taken in this regard considerably strengthens our position. That is why, I want to refer it to the people to understand what the TRIPS agreement is; what Article 9 says and what

it is that we have to gain now. This is what we have to consider.

The Ministerial decision contemplates two Working Groups, one to examine the relationship between *trade and investment* and the other to study issues raised by Members relating to interaction between *trade and competition policy* including anti-competitive practices. The Declaration also states that these groups shall draw upon each other's work if necessary. Thus a linkage between investment and competition has been established which should be viewed as positive from our perspective. I may point out that developing countries including India succeeded in bringing anti-competitive practices within the scope of the second working group in spite of stiff opposition from both United States of America and European Union.

A third point that was stressed in the debate in this House related to the movement of natural persons. I would like to reiterate that India has been raising this issue at various multilateral and bilateral fora. I raised this issue in my plenary speech. My delegation raised it also at the discussion relating to the Information Technology Agreement. It is, therefore, not true to say that we have been remiss in pressing our case.

Another point raised in the debate related to the decision taken by the G-15 at Harare. It may be noted that the Singapore Declaration was concluded with the agreement of all members of G-15. In fact, several meetings of the G-15 were conducted at Singapore under the Chairmanship of the Malaysian Trade Minister.

With regard to trade and investment relationship, the G-15 Declaration says as follows, "The trade and investment relationship is of a multi-faceted nature encompassing *inter alia* issues of technology transfer, industrialisation and national development objectives. It is necessary to lay the ground for consensus building in a forum such as UNCTAD to determine the implications of the developing countries and arrive at a consensus before embarking on rule making in any forum." In the Singapore Declaration, we have ensured that there can be no further action of embark on rule making without the *explicit consensus* of all members, that the study will be undertaken within the provisions of the *existing* WTO provisions and that UNCTAD will also have a major role in providing inputs.

With regard to the relationship between Trade and Competition Policy, the Harare Declaration says, "There is therefore a basis for further analytical work and clarification of this interface in preparation for negotiating a possible multilateral instrument". It may be noted that, as in the case of investment only a study has been initiated and that there can be no progress towards further negotiation without the *explicit consensus*.



With regard to labour standards, the Harare Declaration says that "the issue clearly falls within the mandate and specific competence of the International Labour Organisation." This has been recognised in the Singapore Declaration.

Reference was also made by some hon. Members to the discussions of the Forum of Parliamentarians on Intellectual Property and National Working Group on Patent Laws, which conducted an "International Conference on New Patent System, Investment Regime and Emerging Issues in WTO" on 14th and 15th November at New Delhi. In Section III of their Declaration, they have raised various issues relating to the WTO Ministerial Conference. Their main opinions are as follows :-

- (1) The scope of WTO should not be enlarged;
- (2) "The developing countries must therefore reject outright the proposal to put on the Agenda of the Singapore Meeting of WTO, a new multilateral agreement on investment";
- (3) "New rights must not be created in the farm sector to circumscribe the rights of farmers in the use and multiplication of seeds".

I am of the view that these concerns have been taken on board. The scope of WTO has not been enlarged. A new multilateral agreement on investment has not been put on the agenda of WTO; only a study within the provisions of WTO Agreement has been mandated. It is also stipulated that there will be no initiation of negotiation on this matter without explicit consensus. No new rights have also been created in the farm sector.

With regard to textiles, some apprehensions were expressed. In the textiles area, our main concern was that the Agreement on Textiles and Clothing (ATC) was not being implemented by textile importing countries fully and faithfully. In the Declaration, Ministers reaffirmed their commitment to full and faithful implementation of the provisions of the ATC. They have stressed the importance of integrating the textiles and clothing products with the provisions of the GATT. They have committed themselves to use of safeguard measures as sparingly as possible.

MR. DEPUTY-SPEAKER : Shri Ramaiah, how much more time you need?

SHRI BOLLA BULLI RAMIAH : Sir, I will need another five minutes to complete.

The have agreed that the Textiles Monitoring Body, which is a quasi-judicial body, shall achieve transparency in its findings and recommendations. Since the ten

Members of the Textile Monitoring Body act in their personal capacity and since there is no specific committee with membership of government representatives for Textiles and Clothing sector, the Ministerial Declaration has emphasised the responsibility of the Goods Council in overseeing the functioning of the Agreement on Textiles and Clothing. A specific recognition of the role of Goods Council in overseeing the implementation of ATC is a positive achievement for the developing exporting countries.

In respect of Government Procurement, I would mention to the hon. Members that the Declaration merely provides for establishment of a Working Group to conduct a Study on transparency in Government Procurement practices. It also makes it clear that this study will take into account national policies of procurement. This is in line with our own view that we are in favour of transparency but would like to retain national preferences with regard to government procurement.

There was some discussion on the Information Technology Agreement. I take this opportunity to mention that at Singapore, we expressed positive interest in the ITA, but raised the following issues :-

- (1) We will need more time to study the products proposed to be covered under ITA, particularly the impact of elimination of tariffs on our own domestic industry. Consultation with other Ministries and domestic industry is necessary. Further discussions will also have to be held on the phasing of reduction of tariffs and the extent of reduction;
- (2) While considering the question of reduction of tariffs, we must not lose sight of the need to minimise barriers to movement of skilled personnel across borders.

We, therefore, declined to join the Agreement at this stage.

With regard to telecom services, financial services and so on, I would like to assure the hon. Members who expressed some apprehensions that we made no additional commitments whatsoever. The time schedules mentioned only constitute a reiteration of what has been already agreed to in the respective committees. With regard to agriculture, the Singapore Declaration does not make any change or interpret any aspect of the Agreement on Agriculture. It merely takes on board the recommendation of the Committee on Agriculture that a process of analysis and exchange of information may be taken up to better understand the issues involved and allow members to identify their interests in this

area before undertaking further negotiations for continuation of the reform process in this sector as contemplated in Article 20 of the Agreement on Agriculture. However, the Ministerial Declaration clearly stipulates that the time frames already established will be respected in the case of all built-in agenda items including the built-in agenda in the Agreement on Agriculture.. (*Interruptions*)

Sir, before I conclude, I would like to refer to a point raised by the Hon. Members. It was stated that the CII had expressed dissatisfaction with the agenda of the Singapore Ministerial Conference. I would like to draw his attention to the statement of the President of CII, widely reported in newspapers, wherein he has categorically said that the CII welcomes the Declaration. It is also reported that he complimented India's negotiating team for not making significant concessions that would work against Indian industry. I understand that FICCI is also of the same view.

MR. DEPUTY-SPEAKER : Thank you.

**(ii) Deterioration in the Standard of Sports in the Country**

[*Translation*]

SHRI RAJIV PRATAP RUDY (Chapra) : Mr. Deputy Sepaker, Sir, I rise to raise for discussion the issue of continuous deterioration in the standard of sports in India.

[*English*]

15.34 hrs.

(Shri Nitish Kumar *in the Chair*)

[*Translation*]

Sir, you are well aware that the main reason for bringing this issue for discussion in the House is our deteriorating performance in Atlanta Olympics even when our population is going to cross the 100 crore mark. We could snatch only one bronze medal. This is a matter of shame, we must think over it. It has hurt our self respect. That's why this issue has been raised for discussion in the House.

MR. CHAIRMAN : Now you please take your seat. This discussion will continue further.

SHRI RAJIV PRATAP RUDY : Whether it will continue even in the next Session?...(*Interruptions*) Sir, it is a matter of great concern for the nation.

MR. CHAIRMAN : You please sit down. Now this the time for private Member's Business.

15.36 hrs.

[*English*]

**MOTION RE : FOURTH REPORT OF THE COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS**

SHRIMATI SHEELA GAUTAM (Aligarh) : I beg to move .

"That this House do agree with the Fourth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 18th December 1996."

MR. CHAIRMAN : The question is :

"That this House do agree with the Fourth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 18th December, 1996."

*The motion was adopted.*

15.36½ hrs.

**PRIVATE MEMBER'S BILL/HEADING**

**Constitution (Amendment) Bill  
(Omission of Article 370)**

SHRI KASHI RAM RANA (Surat) : I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. CHAIRMAN : Motion moved :

"That leave be granted to introduce a Bill further to amend the Constitution of India."

SHRI GULAM RASOOL KAR (Barmulla) : Sir, I am on a point of order.

MR. CHAIRMAN : What is your point of order?

[*Translation*]

SHRI GULAM RASOOL KAR : It should have the concurrence of the President Under Rule 65 (2).

[*English*]

"If the Bill is a Bill which under the Constitution cannot be introduced without the previous sanction or recommendations of the President, the member shall annex to the notice such sanction or recommendation conveyed through a Minister, and the notice shall not be valid until this requirement is complied with."