

SHRI SIKANDER BAKHT : Sir, I do not have anything to say about caveat.

SHRI BALRAM JAKHAR : I would like to ask the hon. Minister some very important points. What has happened to the earlier report which was prepared and a Committee which we have formed? What about the *Sui generis* law which we are trying to create? It was our own thing. What has happened to that? Why did we not do that? It is going to affect so many areas? It is going to affect our agriculture. It is going to affect our seed generation and seed producers. Everything depends upon that. We should be very worried about it because we did it with the cotton and we got it.

What has happened to Basmati? So, we must be worried and we must be active enough to foresee all these things which are going to face us. This is something which you are trying to usurp from us just like Basmati and Turmeric. Naturally, we must be very careful about it. Otherwise, either you will go to US Convention or the other world. So, you have to decide differently. You have to take decisive action without any delay on all these things.

SHRI SIKANDER BAKHT : Sir, we have already adopted the *sui generis* route. I will give you the information.

SHRI BALRAM JAKHAR : You can take time and give this information later on.

SHRI SIKANDER BAKHT : Just now, I will give you the required information.

The *sui generis* legislation on plants is handled by the Ministry of Agriculture. But it does not matter. We have already undertaken the *sui generis* route with regard to our problems in this regard.

SHRI RUPCHAND PAL : There is a lot of confusion about the Basmati, Neem and Turmeric. Actually, there are different problems. I would like to tell to the hon. Minister that a lot of valuable work has already been done by our eminent scientists like Dr. Asima Chatterjee and that valuable work is still continuing in several laboratories of India about the medicinal properties of a good number of plants and herbs. But these scientists do not have the financial capability to patent them on the global area. What is happening Now? These eminent scientists, who have invented all these things, are being approached by certain middlemen, who are working on behalf of multinational companies, to sell their knowledge. So, may I know from the Government whether they are ready to set up some specific fund for these scientists who have already reached some conclusive evidence about the medicinal properties of the plants and herbs of India.

SHRI SIKANDER BAKHT : The suggestion has been noted. That is all I can say about this. It is true that

we are doing everything to ensure and protect our own species.

✓ MR. SPEAKER : Question No.245, Shri Ravindra Kumar Pandey.

(Interruptions)

✓ MR. SPEAKER : I have already called upon Shri Ravindra Kumar Pandey to put Question No.245.

(Interruptions)

SHRI PRITHVIRAJ D. CHAVAN : In reply to Question No.248 the Commerce Minister has given a totally different answer. He says:

"India has agreed to discharge its transitional obligations under Articles 70.8 and 70.9 of the TRIPS Agreement by 19th April, 1999".

Two Ministers are giving two different answers. They have not come prepared. ... (Interruptions) He has misled the House.

✓ MR. SPEAKER : Please take your seat. I will ask the Minister. Would the Minister like to respond?

(Interruptions)

✓ MR. SPEAKER : Question No. 246, Shri P. Upendra.

(Interruptions)

✓ MR. SPEAKER : Dr. Sonkar Shastri, please take your seat.

(Interruptions)

✓ MR. SPEAKER : Question No. 247, Shrimati Jayanti Patnaik.

[Translation]

SHRI CHANDRASHEKHAR SAHU : Mr. Speaker, Sir, I seek your protection in this matter. In this House I have presented a bill on Patent law ... (Interruptions) Please allow a half an hour discussion on it ... (Interruptions)

[English]

✓ MR. SPEAKER : Question No. 247, Shri K.L. Sharma.

#### Impact of Nuclear Test on Trade Relations

+

\*247. SHRI KRISHAN LAL SHARMA:  
SHRIMATI JAYANTI PATNAIK:

Will the Minister of COMMERCE be pleased to state:

(a) whether the sanctions imposed on India by some countries following the nuclear test has adversely affected the trade relation of India with developed countries;

- (b) if so, the reaction of the Government thereto;
- (c) whether the Government propose to send Special emissary to developed countries to deal with the situation;
- (d) if so, the details thereof; and
- (e) other steps taken by the Government to overcome the crists?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (e) A statement is laid on the table of the House.

#### Statement

(a) While specific trade sanctions have not been imposed, some trades related implications arise from the sanctions imposed by the USA under Section 102 of the US Arms Export Control Act, otherwise known as the Glenn Amendment. These inter alia include :

- i) termination of sales of defense articles, defense services, or design and construction services under the Arms Export Control Act, and termination of licenses for the export of any item on the United States munitions list;
- ii) denial of any credit, credit guarantees, or other financial assistance by any department, agency or instrumentality of the United States government;
- iii) prohibiting the Export-Import Bank from giving approval to guarantee, insure, or extend credit, or participate in the extension of credit in support of United States exports to India; and
- iv) prohibiting the export to India of specific goods and technology subject to export licensing by the Commerce Department.

(b) Government is of the view that trade sanctions specifically against India would be contrary to the Most Favoured Nation principle under the General Agreement on Tariffs and Trade.

(c) to (e) Government is taking necessary initiatives on its part to deal with the situation, including maintaining an alert watch on the further developments. The impact on trade of sanctions is being monitored and assessed.

[Translation]

SHRI KRISHAN LAL SHARMA : Mr. Speaker, Sir, through you I would like to know from the hon. Minister as to which areas are the most affected by the trade sanctions imposed against our country? What has been

stated here about the steps taken to meet out the adverse impact of sanctions do not reveal the actual position. These sanctions have scared people, rupee is being devalued continuously. An atmospheric disturbance has been noticed throughout the country which has also affected industry. I would like to know from the hon. Minister as to what plans have been formulated for removing this fear and creating confidence among people?

SHRI RAMKRISHNA HEGDE : Mr. Speaker, Sir, the atmosphere mentioned by hon. Member may continue for sometimes but I would like to tell that there is no need to be scared as it is just a threatening from the U.S. and no action has been taken on it. These sanctions are not trade sanctions but sanctions on export of arms components. We have taken several steps to boost exports. You might have read in the newspapers that Reserve Bank of India has also taken some steps in this regard. Perhaps hon. Minister of Finance will say something about these steps in his statement today. So, there is no need to be scared of about it.

SHRI KRISHAN LAL SHARMA : Mr. Speaker, Sir, after imposition of these sanctions, it has been heard that in view of the 'most favoured nations' these are being categorised. You have stated that suitable atmosphere could not be created about these sanctions, it is not correct. No decision was taken as to when and what specific sanctions will be imposed. Though these sanctions were not clarified even then these affected the people. People are scared. I would like to know whether the Government has made any efforts to avoid adverse impact of these sanctions in this country and outside. If so, details thereof?

SHRI RAMKRISHNA HEGDE : Mr. Speaker, Sir, I have told about one or two steps taken in this regard. Hon. Minister of Finance will tell about other measures being taken in this regard. Sharmaji might have read in the morning newspapers about the statement of U.S. Secretary of States that:

[English]

Albright fears reverse fall-out, seeks flexibility in sanctions'.

[Translation]

It is a proof that America is not serious about the threatening of imposing sanctions.

[English]

SHRI SUSHIL KUMAR SHINDE : That statement relates to Clinton's visit to China. (Interruptions) In that context, she was talking about relaxation of sanctions.

(*Interruptions*) A specific question has been raised and we are worried. May I tell the hon. Minister, that this statement is about sanctions on China and not India.

SHRI RAMKRISHNA HEGDE : May I tell the hon. Member that India is no less important, even from the point of America, than China. India is going to be the biggest market and America cannot afford to neglect or ignore this fact. Therefore, I can assure hon. Members that some steps have already been taken with regard to protecting the value of the rupee and with regard to keeping our target of exports. A few more steps will be spelt out by my hon. colleague, the Minister of Finance.

SHRI SHIVRAJ V. PATIL : The Government has been telling us that we should not be afraid of the sanctions. I think the Government is right when they say that. But it is not correct if the Government do not tell us as to what kind of steps the Government is going to take to see that the sanctions do not affect us badly. They have been saying that the America will not impose sanctions because it is going to affect the America and not India. I think this assumption is not correct. There are many areas in which sanctions can have an adverse effect on us. In the area of technology transfer it would be very adverse. In some trades also, it would be very adverse. There are financial institutions which will not readily give us the credit we need. The funds may not be readily available to us. So, these are some of the areas where we have to be careful.

The country while applauding what has been done would certainly like to know what steps the Government is going to take to see that there is no adverse effect on the economy if sanctions are imposed. We are not satisfied with the reply that sanctions would not be imposed. The Government should say what plans or what steps have been thought about if sanctions are imposed. We would like to know what steps the Government would take to see that there are no adverse effects.

SHRI RAMKRISHNA HEGDE : I do not understand when no sanctions are effected, how can we say that we are adversely affected? No sanctions have been imposed except in regard to certain defence articles.

SHRI SHIVRAJ V. PATIL (Latur) : What about technology transfer?

SHRI RAMKRISHNA HEGDE : So far as technology transfer is concerned, it is true that they may not agree to supply us technology. But even that will not hold for long.

SHRIMATI KRISHNA BOSE : Sir, we are discussing a very important issue. From the discussion, I find that all of us are only talking about sanctions by the U.S.A. What

about other developed countries like Germany and Japan? What is their attitude? Does the Government aware that Japan has already said that they are not going to use the word 'sanctions' and that they are going to use the word 'measure'? They will take certain measures against us. Does the Government aware what those measures would be?

SHRI RAMKRISHNA HEGDE : The hon. Members may be aware, in the G-7 meeting which was held in England, America tried to exercise its influence on other countries to fall in line with America's stand that there should be certain sanctions. But no one agreed to join America, including Germany.

SHRIMATI KRISHNA BOSE : What about Japan?

SHRI RAMKRISHNA HEGDE : Germany has not announced any sanctions, trade or otherwise, against India. It is true that Japan was the second most vociferous country to criticise the nuclear explosion that we carried out. We can understand the feeling of the Japanese people because they were the first victims of such a destructive weapon. But whatever measure they may have in mind, they have not spelt it out.

SHRI MURLI DOERA : What about ADB?

SHRI RAM KRISHNA HEGDE : If ADB does not give loan, some other bank will come to our aid. There are many banks. India's credit worthiness has never been affected. If one bank closes its doors, there will be ten banks which will open their doors.

[*Translation*]

PROF. RITA VERMA : Our previous governments, especially the government of the Congress party had developed tendency of taking loans. Now without any reason they are worried about the impact of US sanctions. Whereas sanction is a sword which cuts from both the sides. Sanctions will not only harm us but USA also. The figures can prove that in development of this country ...(*Interruptions*) The figures compiled by you proves that since the beginning of economic liberalisation, in 1991 direct capital investment had been only two percent of the total capital investment. It means that even during the period of economic liberalisation, only internal resources have been used for the development of the country. I therefore, would like to know from the hon. Minister that instead of persuading people of other countries what steps are being taken to persuade those countrymen who advocate the policy of taking external loans?

SHRI RAMKRISHNA HEGDE : Mr. Speaker, Sir, I fully agree with the views expressed by the hon. Members and thank her for it ...(*Interruptions*).