

I, therefore, request the Central Government that all the accused be arrested promptly and tried expeditiously.

**(v) Need to release adequate funds for early construction of road across river Jolokia Suti, Assam**

SHRI BALIN KULI (Lakhimpur): There is a small river Jolokia Suti flowing from Arunachal through Assam crossing the National Highway 52 in Jonal sub-division under Dhemaji district of Assam. During monsoon season this river is flooded causing many problems including disruption of traffic. The National Highway 52 was under Border Roads Organisation earlier, but it is now under the Ministry of Surface Transport. Due to lack of funds, the construction of road across the river and concrete bridge on this river has come to a standstill.

As this road serves two States, namely, Arunachal Pradesh and Assam, it deserves immediate attention of the Government. I, therefore, request the Hon. Minister of Surface Transport to provide funds to ensure early completion of the construction of the road.

12.34 hrs.

[English]

**STATUTORY RESOLUTION RE: DISAPPROVAL OF CUSTOMS TARIFF (AMENDMENT) ORDINANCE; AND CUSTOMS TARIFF (AMENDMENT) BILL**

MR. DEPUTY SPEAKER: The House shall now take up Item Nos. 11 and 12 of today's Order Paper together. The time allotted to this subject is one hour. Shri Jitendra Nath Das to move the Statutory Resolution.

SHRI JITENDRA NATH DAS (Jalpaiguri): Sir, I beg to move:

"That this House disapproves of the Customs Tariff (Amendment) Ordinance, 1994 (No. 14 of 1994) promulgated by the President on December 31, 1994."

In this regard I would like to state something. This Ordinance has come as a result of the Uruguay Round Conference and negotiations. You know the people of our country are very much agitated about this. They have been agitating from the very beginning on this issue. Therefore, we would like to disapprove of the issuance of this Ordinance.

Though this Bill carries some restrictions, it is nothing but a sugar coated bitter tablet.

Sir, the restrictions on imports have been removed and custom duties have been reduced with a view to making the Indian industry efficient and to ensure its smooth interaction with the world economy. But what is the present position of India? India is lagging behind in the field of industry. Our imports are coming down at present. Perhaps, India's imports form 0.5 per cent of the world imports at present, whereas in the 50s it was about 2.5 per cent. This figure is undoubtedly alarming.

In the field of industry, we are still backward. The Indian industry needs protection to become self-sufficient. I

am sorry to state here that our Finance Minister, Dr. Manmohan Singh had stated in the Thirty-fourth Meeting of the Customs and Central Excise Advisory Council that protection to the Indian industry would have to be reduced. This reduction in protection emerges perhaps in the context of the Uruguay Round of Multilateral Trade Negotiations. At the same time, the Finance Minister is assuring us that the small scale industries would not be hurt. According to Dr. Manmohan Singh, the people of our country will have to prepare themselves to fight against the multinationals which are coming to our country because we have opened the doors of India for them to come in. This fight is between inequals. I have no doubt that this fight will lead to the liquidation of our country.

The consumer goods manufacturers in our country cannot survive without any protection. They would not survive if they have to operate on the same terms and conditions as are applicable to the multinationals. The present Budget is giving a death signal to the small scale industries and to the consumer goods manufacturers in our country.

India cannot accept the Uruguay Round of Multilateral Trade Negotiations as perfect. All international agreements reflect the interests of multinationals and the interests of the developed countries of the world. The Uruguay Round of Multilateral Trade Negotiations are motivated by the needs of the multinationals in order to find new markets in the world. They have selected India as the best market. A new international institution, the World Trade Organisation has been established recently as a result of the decision taken in the Uruguay round of Multilateral Trade Negotiations. The World Trade Organisation has become a symbol of fear in the minds of our people. These fears are expressed more clearly in the emerging domination of multinationals.

Ultimately, I think, our country will be ruled by the multinationals. The time has come for that. Now, the fate of our people is wholly dependent on the whims and fancies of the multinationals.

Under the circumstances, I demand not only to disapprove this Customs Tariff (Amendment) Ordinance, but also to withdraw the acceptance to join the World Trade Organisation and also to withdraw the agreement in the Uruguay Round of negotiations at an early date.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Sir, I beg to move:

"That the Bill further to amend the Customs Tariff Act, 1975, be taken into consideration."

Sir, the Bill is a very simple Bill. Shri Jitendra Nath Das referred to our country coming under pressure as a result of the Uruguay Round of negotiations. This Bill seeks to protect our industry against unfair competition from any other members of the World Trade Organisation. I would say that this is not a controversial Bill; it seeks to protect the Indian industries against unfair competition, against other countries trying to dump their goods in our country.

Therefore I, for one, feel that the Bill that I have moved is in the interest of our country and it should, in my view, commend the unanimous vote of the House.

The Bill seeks to replace the Customs Tariff (Amendment) Ordinance, 1994 promulgated on 31st December, 1994 with a view to align the provisions of the Customs Tariff Act, 1975 relating to imposition of countervailing duties and anti-dumping duties on subsidised articles and dumped articles, respectively with the provisions of the Final Act of Uruguay Round of Multilateral Trade Negotiations. These amendments were considered necessary since India has acceded to join the World Trade Organisation established under the Uruguay Round of Multilateral Trade Negotiations with effect from the 1st January, 1995 and the member-countries were required to ensure the conformity of their laws, regulations and administrative procedures with those provided in the aforesaid Final Act.

As the hon. Members are aware, to protect our domestic industry from the injury being caused by subsidised or dumped imports, the Customs Tariff Act, 1975 provided for levy of countervailing duties and anti-dumping duties. These provisions were based on the agreements negotiated during the Tokyo Round of Multilateral Trade Negotiations under the GATT.

The Uruguay Round Final Act, inter-alia, contains new agreements on 'anti-dumping' and 'subsidies and countervailing measures.' The new agreements on these two subjects have addressed many areas in which the previous agreements lacked precision and details. The Customs Tariff (Amendment) Ordinance, 1994 was promulgated to align our laws relating to countervailing and anti-dumping duties with those of the Final Act of Uruguay Round Negotiations.

The purpose of this Bill is to replace the Customs Tariff (Amendment) Ordinance, 1994 to achieve the above objects.

MR. DEPUTY SPEAKER: Motions moved:

"That this House disapproves of the Customs Tariff (Amendment) Ordinance, 1994 (No. 14 of 1994) promulgated by the President on December 31, 1994."

"That the Bill further to amend the Customs Tariff Act, 1975, be taken into consideration."

SHRI GUMAN MAL LODHA to speak.

...(Interruptions)

SHRI LOKANATH CHOUDHURY (Jagatsinghpur): I hope my name is there. ...(Interruptions)

MR. DEPUTY SPEAKER: Now, Shri Guman Mal Lodha will speak, Shri Jitendra Nath Das has already moved it; so, now other hon. Members should speak. That is the system.

...(Interruptions)

SHRI GUMAN MAL LODHA (Pali): Sir, let him speak first; there is no problem ...(Interruptions)

MR. DEPUTY SPEAKER: If Shri Jitendra Nath Das

was not there, I would have called the next name on the Agenda Paper, that is, Shri Asim Bala. If he was also not there, then I would have called Shri Lokanath Choudhury's name. This is the system. Now, Shri Guman Mal Lodha will speak.

SHRI GUMAN MAL LODHA Sir, he is a senior Member. If he wants to speak, let him speak first. I will speak later on. ...(Interruptions)

MR. DEPUTY SPEAKER: Okay, Shri Lokanath Choudhury may speak. Shri Guman Mal Lodha is gracious enough to give him a chance.

SHRI LOKANATH CHOUDHURY: Mr. Deputy Speaker, Sir, at the outset, I am supporting the Resolution because the Ordinance that was brought should not have been brought. You know that the Uruguay Round discussion is going on in the House. The Government is quite aware that some amendments in our existing Act will be necessary to accommodate the Uruguay Round after signing that pact. In that case, it should not have come in the form of an Ordinance because the House was there. It is bringing the things from a back door. The Government is gradually resorting to such Ordinances which are not necessary. The Ordinance has to protect our national sovereignty. So, I oppose the Ordinance because it is not proper. The Government should not resort to Ordinances so often especially on issues which are very important and which also relate to our national sovereignty.

This has become rather a compulsion on the part of the House after signing that Treaty to accommodate it. There is no doubt that an attempt has been made in the Bill. As the Finance Minister has said, some protection to our industry will be there. If some products getting subsidy in the country are there, that subsidy will be taken into account by countervailing it. By that, to some extent, it will be possible to protect the industry as it is desired.

The other most important part about which I want to speak is the third clause. It dilutes the intention of the first clause and the second clause. The third clause is that the Government can take some decisions, if so required. So, it has a dangerous potential.

Our Finance Minister will agree with me that he has promised to this House many things in the past. Unfortunately, he has failed on many issues. I do not think that he follows a line which we do not approve. But still, I think that he will be successful in the counter-revolution. But he is unable to implement what he has assured the House on several occasions. So, he should take this into consideration. Therefore, I am thinking that the amendment to the third clause should be taken seriously because the Government has no control on the bureaucracy. I am saying this because this will be ascertained by the bureaucracy. The bureaucracy is the final factor.

Secondly, only countervailing the subsidy will not make our industry compete with the foreign goods. There is also the question of technology. You know that the technological revolution has brought a new concept in the

world where things can be produced at less cost. We have not got that technology in many areas. Naturally, these subsidies and other things may be taken into consideration. But if the technology factor is not taken into consideration, our industry will collapse. Our Finance Minister should bear that in mind. In the world today, the scientific and technological revolution has brought a new change.

The emergence of multinationals is another factor which should be looked into from different angles. I look at it from a different angle. These multinationals have gradually gone ahead of the State because multinationals are formed with the business houses of different States and they do dictate terms.

Moreover, in some countries specially, technology is the monopoly. It is now being said that there are five monopolies in the world and the first monopoly is the technology. The first monopoly is possessed by the multinationals and it dominates the world. Of course, among the five monopolies, there are the media and capacity for investment. They are for other areas. But so far as technology is concerned, it is the single biggest factor today that gives a hand to the multinationals to devour any country. Keeping these factors in view, we have to find ways to make our industry capable to compete with these technological developments where the cost of development is very low compared to the cost of production in our country. This is the single biggest factor that has not been taken into consideration by the Government. I think, by bringing this Ordinance, the Government will not be able to save the industry from the clutches of the emerging multinationals of the world. This will particularly affect our system and sovereignty. From this point of view, I oppose the Bill and I think the Finance Minister will be kind enough to take this factor of technology into consideration and take corrective steps so that our industry can survive. I oppose this Bill because I think that this move will endanger our sovereignty and finish of our indigenous industry.

[Translation]

SHRI GUMAN MAL LODHA : Mr. Deputy Speaker, Sir, the ruling party and hon. Ministers have been condemned several times in this august House by the Chair also for introducing Ordinance frequently during the period when sessions of the House are convened after short intervals. The tendency to issue Ordinances is not fair unless there is any extra-ordinary situation. The general procedure of making law should not be circumvented at any cost in Parliament. I am distressed to submit that this is another instance when it has been introduced in the august House as an Ordinance and now it is being tried to enact a law by giving it a shape of *fait accompli*.

Sir, the law made in the constitution regarding Ordinance clearly reads that "when there is no likelihood of the sitting of Parliament and any extra-ordinary situation crops up which compels to make a law, the general procedure of the House and the constitution should not be applied and this privilege should be exercised." I am constrained to point out that this privilege is being used in

a most routine way. First they bring an Ordinance and later on they request hon. Members to respect their sentiments and get it passed as a Bill. I, therefore, by and large oppose the entire Ordinance because the conventions of the Constitution have been violated grossly and the conventions have been subverted. It is a matter of great sorrow. It is very regrettable that inspite of clear illustration in the Constitution and frequent condemnations of the Chair this malady continues.

MR. DEPUTY SPEAKER, Sir, our indigenous industries, we and the entire country have times and again opposed the treaty signed with the WTO, i.e. GATT. It was opposed not only in the House but also in recent Assembly elections of Karnataka, Andhra Pradesh, Gujarat and Maharashtra and the ruling Janata Dal in the States has clearly stated that attempt is being made to enslave the country by signing the GATT and thereby inviting the Multi-National Companies which may be termed as re-entry of the East India Company into our country. But the people of India are opposed to it. But I am constrained to say that the Government did not learn any lesson from the Mandate given by the people of India in Andhra Pradesh, Karnataka, Gujarat and Maharashtra where the ruling party enjoyed their two thirds majority but even then their Government collapsed; In Maharashtra the Government headed by so-called invincible Sharad Pawar and his colleagues was unseated by the people's mandate. That mandate is being frivelled with.

MR. DEPUTY SPEAKER, Sir, the democracy demands that the Government should always keep track with the sentiments of the people. It should always feel the pulse of the people. The people have voted out the Governments and disapproved their policies in all five states. They have given their mandate against economic policies of the Government and the Multi-National Companies. Yet such exclusive laws are attacking indigenous industries. I oppose it in toto.

MR. DEPUTY SPEAKER, Sir, seems to be an ordinary Bill but if you go through it deeply, you will find that it will have very serious consequences. As it was said earlier in the words of a poet.

"Satsaiya ke dohre, jyon navikk ke teer,  
Dekhan mein seedhe lege dhao kare gambhir."

This severe blow is being struck by our hon. Minister of Finance on our indigenous industries, our sovereignty and the constitution of the country. The Government has mortgaged the country in the name of liberalisation. A conspiracy is being hatched to turn the country insolvent by lending loans. I oppose it.

Mr. Deputy Speaker, Sir, this law will adversely affect the efforts to provide subsidy and protection to our industries. It is not a direct but an indirect attempt to jeopardise our indigenous industries. In the final Act inter alia it contains Round of Multi lateral Trade Negotiations new 'anti-dumping' agreements and subsidies and countervailing measures'. The new agreements on these two subjects have addressed many areas regarding which the previous agreements lacked precision and details

under the new agreements there is a provisions for more clarification in this regard whether any product has been included or not in procedure of concept or whether any action is to be taken or not regarding collaboration. It was expected from member countries that they would ensure uniformity in their methods, exchange and administrative procedure accordingly which have been brought under the provision of the aforesaid final Act. As India has accepted to be a Member of World Trade Association since 1st January 1995 therefore it was expected from the Government of India that it would bring changes in its procedure regarding countervailing duty and discriminating duty in accordance with the provisions of aforesaid final etc.

Sir, it has been accepted clearly. Thus we have surrendered ourselves Knuckled down before them and in this agreement and after surrendering the economic sovereignty of India we have become their slaves for ever. Therefore, it is expected in that agreement that laws should be framed in our country in accordance with other countries.

13.00 hrs.

MR. DEPUTY SPEAKER, Sir, the developed and more advanced nations of the world are exploiting poor nations by the strength of their money and prosperity. How our newly started and developing industries can compete in comparison to those countries. How our small industries can stand before them? How the industries of India producing small articles can stand in competition with the industries of Germany and other developed countries. I, therefore, would like to say that we should accept this ground reality. If we will not protect our industries its consequences will be certainly adverse for our industries. As you would have seen in the current budget that minimum import duty has been levied because our Finance Minister had no other option. He has mortgaged the economic sovereignty of our country before the world. He was given instructions to reduce it upto 20% then without any intension or desire of his own, Finance Minister has to bring it down upto 20 percent. The only reason behind it is that we have sold the economic sovereignty and dignity of our nation and have also Knuckled down before developed countries. Thus a conspiracy is being hatched at present to eliminate our industries. This act has been brought in this House as a first step to this effect. The second step will be the Patents' Act and the third steps will bring another act. All these weapons will attack on our industries like missiles, guns and bombs. This ordinance is a part of the conspiracy going on for inviting multi-national companies to destabilise our economy, ruin our small and indigenous industries and economic exploitation of our country.

MR. DEPUTY SPEAKER, Sir, I strongly oppose the Custom Tariff (Amendment) Bill because the intention of the Government is malafied behind it. We will loose our sovereignty because of it. Why Lord Clive is being brought here again from his grave. Previously when Lord Clive came here as a trader without any army. He came here under camouflage with malafied intentions, and ruled the country for hundreds of years and exploited it. Later on

leaders like Bhagat Singh, Rajguru, Sukhdev, Pt. Jawaharlal Nehru and Mahatma Gandhi struggled against foreign rule and we escaped from the clutches of foreign rule. But why Lord Clive is being called here again? Why are we inviting Britishers in the form of multinational companies. Which will certainly ruin the prospects of our industries and I, therefore, strongly oppose this ordinance and demand the House to reject this ordinance.

SHRI VIJOY KUMAR YADAV (Nalanda): Mr. Speaker, Sir, the Customs Tariff (Amendment) Ordinance introduced in this House is a part of new economic policy adopted by the Government. The budget for the current year is in accordance with the new economic policy but common man does not feel any relief and get any benefit of the achievements being quoted here. The achievements discussed by Finance Minister in the Parliament and published in newspapers does not affect and trusted by the common man because new economic policy has made the daily life much more difficult. In spite of all the given rebates, inflation is rising and all essential goods have become costlier and people are facing hardships in their daily lives.

Before bringing this Bill in the House. You had brought an ordinance and it has been brought under new economic policy. It is not correct that, under these economic policies without analysing the economic conditions, and evaluating economic activities properly, our industries have been asked to compete with international capitalists. This Bill also says that indogenous industries will be given protection and infact we are not able to compete the technically and economically advanced industries of foreign countries I find it difficult that indogenous industries will be saved and be able to compete with the multinational industries.

In accordance with the international norms. We are bound to permit international market to enter in India, whether it would be in the form of multinational or World Bank or any other agency because we have to take loan from those organisations. According to Congress Government in the country and thus Congress Government is doing all this under compulsion.

Mr. Deputy Speaker, Sir, as it has been mentioned earlier also that election results have revealed that public does not like these policies but Congress Government is not understanding it. The Government says that economic policy has no link with the election results but I would like to say that ultimately this policy will be decided by the public.

Mr. Deputy Speaker, Sir, I think that it will adversely affect the indogenous industries and employment opportunity in the country. You are saying that indogenous industries will be given protection but it will be on papers only and we are nowhere in competition with the advanced and developed countries. I, therefore, oppose this Bill and request the House to reject it.

[English]

MR. DEPUTY SPEAKER: The House stands adjourned for Lunch to meet at 14.10 hrs.

13.08 hrs.

*The Lok Sabha then adjourned for Lunch till ten minutes past Fourteen of the Clock.*

14.23 hrs.

*The Lok Sabha re-assembled after Lunch Twenty Three Minutes past Fourteen of the Clock .*

**STATUTORY RESOLUTION RE: DISAPPROVAL OF CUSTOMS TARIFF (AMENDMENT) ORDINANCE AND CUSTOMS TARIFF (AMENDMENT BILL)**

[MR. DEPUTY-SPEAKER in the Chair]

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Deputy Speaker, Sir, the Finance Minister has introduced Customs Tariff (Amendment) Bill and I would like to make a submission in this regard that an Ordinance was also issued in this regard. The present Government is not going to give up their policy of issuing ordinances. It has been criticised on this account time and again and suggested that the tendency of issuing ordinances should be dispensed with and the legislative business should be straightaway introduced in the House but the Government are continuing with this tendency disregarding the discussions held and decisions taken in the House in this regard.

I am astounded by the nature of the Bill introduced in the House which clearly shows that the Government have signed an agreement with the World Trade Organisation under international trade under pressure from multinational companies. The result of that agreement is that they want to impose hastily their decisions on the public. The budget presented by our Finance Minister also reflected the same thing at the time of its presentation. This way the Government want to assault the Indian entrepreneurs by providing relaxation in the imports. It would adversely affect the domestic enterprises. This Bill also contains something like that. It has been stated in the Bill. Since India has agreed to become a member of The World Trade Organisation with effect from 1st January, 1995, it was expected of the Government of India that it should enact its laws regarding countervailing duties and anti-dumping tax according to the provisions made in the said final act. This Bill has been brought on the same lines. I do not understand that if a product is manufactured in India at a reasonable cost and an imported item is found to be costlier then in order to bring about a parity in the rates, a tax is imposed on our exports. It is going to be an assault on the concept of indigenisation and feelings attached to it and domestic enterprises. You may call it anti-dumping tax or any other tax, it does not matter. Various parties including the Bharatiya Janata Party have registered their objections in regard to the agreement signed by the Government. It has been said that such an agreement is not proper and it is being imposed in haste. It will not only adversely affect our domestic enterprises, our agriculture but also the health policy. On the whole it is going to affect our public life.

The way the multinationals are gradually being invited

into the country, our country is heading towards losing its economic independence. The Finance Minister may not agree with that and might say that this is a salutary step and it has improved our position. If we make an economic review of the period between 1991 to 1995 we will find that our position has improved and our goodwill has increased. But I would like to say that we are gradually losing our goodwill in the international market and the Indian public life will be affected by that. As I said at the outset that since you have signed the agreement, it is essential to implement it but it is not proper for us to neglect our countrymen, domestic investment, domestic enterprises etc. If I am given a chance to speak by you during budget discussion then I will put forth my views regarding certain things said in this regard.

I would like to cite a small example. Our paper industry is in the doldrums. The paper industries located at Napanagar and elsewhere are of the view that the import of the paper is affecting this industry. The encouragement being given by the Government to import paper is creating a lot of adverse conditions for the domestic enterprises. It is resulting in unemployment of thousands of people. There are several companies in India which manufacture consumer goods and it is not proper at all the dump the foreign imported goods here and then impose anti-dumping tax and countervailing tax on Indian exports in order to bring parity in the rates so that the foreign companies do not suffer and it is all for the sole reason that we have signed an agreement. It is definitely going to affect our internal companies, enterprises which manufacture consumer goods.

Since Lodhaji has expressed his views in detail on this Bill, I would say only this much that such situation and such Governmental activities should be discussed. It is for you to see how and what should be done to ensure that our industries do not get affected. I would seek an assurance from the hon. Minister that imposition of such anti-dumping tax will not affect our industries, especially, medium and small scale industries; and the consumer goods manufacturing companies; thousands and lakhs of workers engaged in them; and it would not increase unemployment. We would like to have a definite assurance from you that foreign companies will not take Indian capital abroad that we will not be subjected economically dependence or will not lose our economic independence.

Sir, with these words I repeat that I support the protest that has been made against the tendency of issuing ordinances and say that the Government should dispense with this tendency and take correct steps in this regard. I conclude by saying that though the Government have taken a decision and signed an agreement, now they will take a great care to protect our industries in the wake of these decisions.

PROF. RASA SINGH RAWAT (Ajmer): Mr. Deputy Speaker, Sir, I have risen to oppose the Bill introduced by the Government because the way this bill has been introduced shows the Government's indemocratic tendency. To issue an ordinance first and then present a Bill before the House which tantamounts to contempt of the

House. It has been said earlier also on several occasions that the tendency to issue ordinances is unparliamentary, undemocratic and thus it should be discarded, when our constitution-framers had made a provision for ordinance they had clearly defined and properly assured the whole nation and the Constituent Assembly that issuing of ordinance would be resorted to only in an emergency or in unavoidable circumstances. But this Government has been regularly issuing ordinances. The last session had ended in December and the next session was going to start in February and the inter session period was not long. But it seems that there was international pressure on us and we were made to play like a puppet. The International Monetary Fund, World Bank etc. might have been pressurising us and the U.S.A. wanted to use Indian markets. They needed a market to dump their accumulated products, that's why, there were Dunkel proposals and GATT and the Uruguay round and finally the setting up of the World Trade Organisation. The Government overlooked the public opinion and without taking the nation into confidence, they held a hasty debate in the session and did not care to know the views of the Members of Parliament.

Sir, I think in this House that the members of all the parties, barring the ruling party, had strongly objected to Dunkel proposals and GATT and the Government's intention of seeking its membership. Several big rallies were held in the capital comprising the people even from the remote corners of the country and they had said that our country is an agricultural country. Subsidy is provided in our country. We were having a discussion in the morning about electricity—no matter it is the field of electricity, agriculture, ration, or small scale industries, subsidy is provided to all these fields in order to encourage them and to increase their exports. The U.S.A. and the European countries are rich countries.

There was such a large scale production of goods that they were tempted to make the developing or the underdeveloped nations of the whole world economically subservient to them. With this intention, they exerted pressure on us for storming the Indian market with their consumer items and our obedient Government acquiesced in before their dictates and registered its signatures on the agreement on the 1st of the month. The whole country kept decrying and opposing it and, subsequently, in order to enforce it forthwith the Government brought in this ordinance in a hurry, chanting 'American sharanam gacchame' or 'I.M.F. sharanam gacchame' as people chanted 'Budham sharanam gacchame' some time ago.

Thus, efforts are being made to undermine the interests of the country, Sir, apparently, this amendment seems to be a trifling one, only the customs tariff has got to be amended. It reads:

[English]

"The anti-dumping and countervailing duties would cease to operate five years after the date of imposition unless reviewed before their expiry".

[Translation]

At the outset it reads.

[English]

"Since India has acceded to join the World Trade Organisation with effect from the 1st January, 1995, the Government of India were required to align its laws relating to countervailing duty and anti-dumping duty with the provisions contained in the said Final Act".

[Translation]

Sir, there are many provisions which are related to the States where different parties are running their Governments. Has the political party in power at the Centre taken the State Governments or the elected Legislative Assemblies of these States into confidence about its signing the "GATT" agreement while conceding to all the conditions of the World Trade Organisation and availing of loans etc. and mobilised their consensus. Today, we are going to further add to the already heavy loan-burden of our country. I think, we are that way ignoring the mandate of the people and dishonouring the feelings of crores of our farmers. It will be followed by the Patent Bill. Both these are the offshoots of the GATT agreement, the poisonous fruits of that poison tree and I think that these will be detrimental to the country's economic interests.

Sir, I would like to add one thing more and I am also collecting proofs to corroborate my assertion that some foreign powers are trying to wipe out the small scale and cottage industries in our country. We manufactured druggets and carpets here which were exported and were becoming popular abroad. When America and other countries felt that this would mar the marketing of their products, they raised a hue and cry on child labour and advocated the banning of import of Indian carpets. I do not personally support the child labour and necessary steps should be taken to check it but why should foreign countries make a propaganda of the inhuman and hazardous circumstances under which the child labourers have to work and they are exploited which results in imposing a ban on marketing of Indian carpets and druggets?

I would like to urge upon the Government that national interests should be attached paramount importance while amending the Customs Tariff Act. A Government banking upon the name of 'Bapu' should be a wre that Mahatma Gandhi laid greatest emphasis on 'Swadeshi', on strengthening the rural economy but what will be the fate of our rural, cottage and small scale industries under this new economic order? The East India Company also came to India for business purposes and later the English enslaved the whole of India. The muslim of Dhaka was famous the world over for a full-fledged sheet of muslim could be passed through a ring but in order to sell their own products, they chopped off the hands of those weavers and history stands a testimony to that fact. Therefore....

[English]

A burnt child dreads the fire"

*[Translation]*

History repeats itself. Therefore, care should be taken to see that the same situation is not repeated here and all the conditions of the foreign powers should not be acceded to blindly in the pursuit of the open economic policy. The economy of country should not be thrown to the winds in the name of globalisation and liberalisation.

Today, the Government claims to have registered a definite upward trend in our foreign exchange reserves and the growth rate but I want to know why, then, is there this inflation, why is the rate of inflation not declining, why is not the public feeling its soothing effects, and why are not the prices of consumer items decreasing? Today, edible oil is becoming costly, tomorrow sugar distributed under public distribution system may not be distributed. So, shall we acquiesce in before their every dictate one after the other? Though, America has threatened China also yet the latter is protecting its national interests and is not dancing to the tune of USA. Japan is also making such efforts. Then why a powerful nation like India, with a population of 92 crores should have knelt before America, the World Bank, I.M.F. or any other financial institution in the name of taking loans and aid. Therefore, through you, I would like to urge that this Government should take the people of the country into its confidence.

I would like to cite one more example. USA had revoked P.L.-480 and denied the supply of wheat to us during the Indo-Pak conflict. Then our then Prime Minister gave the slogan of "Jai Jawan, Jai Kissan" inculcating a sense of self-reliance in the country which led the country towards the green revolution. It is said that the garment traders will be benefited by this agreement but what would happen to them if the multinational companies ingress in their field despite our advanced textile technology. There has already been much of golden handshake and many people have been relieved from their services in the name of voluntary retirement, retrenchment is taking place, there is a ban on fresh recruitment and the Regional Rural Banks meant for augmenting the rural economy are being closed down under foreign pressure, industry are being strengthened them.

The Dunkel and the GATT are like scorpion stings. Apparently, they may not look harmful but their sting is poisonous. Lest these hurt our country's economy, national esteem, our sense of swadeshi and self reliance in future, our Government needs to be aware, cautious and vigilant in future. Another important aspect is that our goods should be sold at handsome prices abroad, we should not incur losses and our interests should be protected. The hon. Finance Minister has many times repeated that no power can pressurise India but in practice, it looks otherwise. I would like to cite the examples of Pepsi and Potato chips. Sir, an item produced at a cost of Rs. 2 is sold at Rs. 10-12 at the railway stations. If this is what we are going to do in the name of customs and multinationals, then we can easily visualise the doom of our future. Therefore, in view of the changing political scenario the Government should amend such laws with holding public interest and national interest supreme in its mind. Our laws

should not be echo of their directives. If we acquiesce in the three conditionalities of amendments which they have dictated to us, our hands will be tied. Therefore, national interest should be given top priority and indigenous production encouraged. Goods which are extremely necessary should only be imported. Agreements can be reached with them with some conditions in case of their offer for high technology. But we are not encouraging our own goods which are in open competition with foreign goods. We have developed a tendency to buy goods labelled 'made in Japan', 'made in Germany' rather than indigenous ones. Therefore, priority should be given to indigenous goods and a sense of swadeshi.

With these words, I conclude with the hope that the Government of India will do away with the practice of bringing such ordinances and generate a sense of Indianness among the people.

*[English]*

SHRI CHITTA BASU (Barasat): I rise to oppose the Bill and I oppose the Bill on fundamental political grounds. The hon. Finance Minister whatever might be his views, is expected to honour the views of the other side of the House.

We are completely against the perception of the World Trade Organisation. We are opposed to India's acceding to this organisation. We are also opposed to the high jump act of the Uruguay Round of Multi-national Trade Negotiations. There will be enough opportunity to substantiate the issues. I have formulated during the Budget Session on various occasions. Naturally, it is also expected of me that I should restrict myself to the limits of the Bill.

So far as the contents of the Bill are concerned they may appear to be innocent; not much of political or economic or trade importance. But it opens India's economy wide to certain hostile forces which will pose a grave danger to our country, not only in terms of politics but also in terms of our political sovereignty and even the unity and integrity of the country. That will also lead to the deprivation of our position or status amongst the Third World countries.

On grounds of principle, there is another important aspect, that is, the misuse of the right of promulgating Ordinances as permitted by the Constitution of the country by the Government. This is another reason for my opposing the Bill. You can very well understand that this is a Bill which is a concomitant result of that Uruguay Round of Multi-national Trade Negotiations.

If you allow me to say, I will say that you were not involved in the discussion. The House was not given due opportunity to discuss these agreements or these treaties in full length. There were discussions, I do not say that there were no discussions about it. But these discussions were held in a piecemeal manner. I remember that I also participated in the debate on a Private Member's Resolution. On some other occasion also, this matter was discussed. But whatever was required is the approval of the nation, the approval of the highest representative body,

that is, the Lok Sabha, which is entitled to give its approval, that is, either to approve of the Treaty or disapprove of it. Unfortunately, I concede that our Constitution does not provide a specific provision that all international treaties are to be approved by the House. That is not there. There might be other reasons. I am not going into that. That obligatory provision is not there in our Constitution whereas perhaps all over the world we, who accept the democratic form of government or parliamentary system of government, accept that as an obligation.

Even in the case of Japan, even in the case of United States of America, as far as I remember, there is a definite obligation for the Government to seek the approval of the House. In this case, we have been deprived of that. Of course, I cannot say that there has been violation of the Constitution. I am very much conscious of it. I say that on moral grounds, the Cabinet does not represent the nation. The approval by the Government becomes the condition precedent for tying up the country with such an international treaty, which according to this side of the House is injurious to the national interests, prejudicial to the national interests, harmful for the economic sovereignty of the country and thereby is also harmful to the political sovereignty of the country. It leads us astray from the nationally accepted foreign policy of our country. It leads us astray from articulating the hopes and aspirations of the Third World countries. The hon. Finance Minister knows it. He himself recommended that India should take certain firm stand in defending the interests of the Third World countries.

As far as the Bill is concerned, it is immaterial whether a countervailing tariff will be there or not or what would be the manner in which the anti-dumping is calculated. It is not of so much significance to me and to the House. My charge against the Government is: Is it nationally approved? Have you sought the approval of the nation? Have you sought the approval of this House which represent the sovereignty of the country? On the other hand, you have reserved the right of the people, you have prevented the people from exercising their fundamental and sovereign rights. How can you, 50 or 60 Members of the Cabinet belonging to a particular party which unexpectedly returned to power and who are retaining power by immoral method by encouraging defection by the exercise of money and muscle power, reserve the right of the people? We represent Members of the House. I represent the sovereign will of my electorate. I felt very much about it. You have deprived me of the opportunity of giving my view. Therefore, I am taking this opportunity to record my protest and by not providing the opportunity to these Members of the House, you are depriving the entire electorate of our country of their sovereign rights. The Cabinet has decided and you have been authorised to sign on behalf of India. I do not know which India you represent today. Is it America's India or India's India?

SHRI MANMOHAN SINGH: It is Somnath Chatterjee's India also!

SHRI CHITTA BASU: It is not the question of Somnath Chatterjee or the Left Front or Jyoti Basu. It is the basic

question of sovereignty. You have got a very good stick to beat and I shall retaliate in the House. I shall accept your beating and I shall also retaliate. This is my main point of objection.

So far as the power of promulgation of Ordinance is concerned, if these important issues are finally taken care of by way of Ordinance, then the very fundamental structure of the Constitution, the fundamental principle of democratic Governments is destroyed.

I am not a lawyer but I would say that this affects the very basic structure of the Constitution—of course, I may not defend it in the court.

Federalism is a basic ingredient of our Constitution. Some issues are there which involve the State Governments, particularly on patents side. You have taken decision without consulting the State Governments and without their consent when their interests are being destroyed, when their interests are being subverted and when their rights are also abridged.

I do not like to take much of your time. I think you have understood the spirit in which I have expressed my view. On this side, we are unfortunate that we could not, or I could not, mobilise the presence of a larger number of Members to defeat this Ordinance. I would have been glad if I could have defeated you on this occasion.

I again say that I am wholeheartedly opposed to the basic principles involved in this Bill.

[Translation]

SHRI ANNA JOSHI (Pune): Mr. Deputy Speaker, Sir, I rise to oppose the ordinance promulgated here.

It is said in the objectives of this Bill that some steps has been taken to make Anti-Dumping policy practicable. We have heard the views of hon. Finance Minister in this House earlier also. During the 'Question Hour' it was told that 14-15 fertilizer manufacturing factories under the public sector are lying closed and around 1½ lakh labourers have been rendered unemployed. Fertilizers worth crores of rupees is lying unutilised in godowns but still we are importing fertilizers. I have complained hon. Minister Faliero about it that we have spent a huge amount in domestic fertilizer projects which are manufacturing fertilizers in large quantity but as it costs more and the policy of foreign companies is that fertilizer should be sold at a cheaper rates so that our production would be dumped. Later on consequently when our factories will be closed down and farmers will have to depend on their supply and they will get the price of their choice. Hon. Minister for chemicals and Fertilizers had assured us that the Government would take appropriate action in this regard. When we asked hon. Finance Minister to tell about the measures to be taken in this respect he rudely said that if farmers were getting fertilizers at cheaper rates why should he be worried about that from where they were getting fertilizers.

15.00 hrs.

[SHRI SHARAD DIGHE in the Chair]

Whether it is coming from America or produced by our



own people in India in Private Sector. Just now Pandeyji was saying that the paper produced by our mills in Napanagar near Khandwa and at Amala was lying unutilised while the Government was importing paper. When hon. Minister was asked, he said that the paper was being imported for educating poor children.

[English]

I hope that Finance Minister remembers his own words.

[Translation]

I would like to ask the hon. Minister when domestic production will not come out and it will be not sold how will the people engaged therein will get their wages? Thereafter they will be unable to pay the fees of their wards. What will be the use of good quantity of paper thereafter.

Our hon. Finance Minister has said at a place during his speech.

[English]

Addressing the 34th meeting of the Customs and Central Excise Advisory Council, he said:

"Our intention is to move towards such a tax system which is simpler, transparent, resilient and more buoyant so that the transition of the change of system is smooth and trouble-free".

[Translation]

You may reduce the customs duty but at the same time you also have to give protection to our domestic industries. Therefore custom duty on imported goods should be more so that it would not get any facility in the market. How can it be trouble free.

Our Committee had gone to Bangalore. There are two factories i.e. Hindustan Aeronautics and Hindustan Electronics, which are doing well. They are getting orders from foreign countries but your policy is not correct. They were manufacturing railway coaches. Labourers of those factories told the committee and the concerned Minister that they were getting job from Railways.

[English]

This is the first year when they have completely cut down the orders of rail coaches.

[Translation]

We are importing rail coaches. We are getting them at cheaper rates and our rail coaches are going outside the country.

You were getting the rail coaches from our factories for the last 20—25 years, if you were going to stop the purchasing from them you should have given notice to them for 5—10 years. Just now you were talking about molasses. Its production have fallen by 10% from 65%. We have hundreds of such industries in our country. This step can give a little support to those industries but now several companies have come to India and no doubt they will produce fine quality whisky or wine, then who will purchase the wine, whisky and other goods produced by our indigenous industries. You have invited foreigners in each and every field then what will be the fate of our own people, workers and how you will protect our indigenous

industries. At least our indigenous industries should run and arrangements should be made for the welfare and employment of people working in them. If multinational, companies keep on flourishing in the country and our workers become unemployed due to this new economic policy, then who will purchase the goods produced by competitive companies of the world because our workers would have no money at that time. I would like to know whether all this is being done for the creamy layer of the society. Today we must keep in our minds the poorest who are dwelling in slums or Juggi Jhopari clusters.

When we talk about Gandhiji who had said that whenever we have any doubt in deciding anything, we should ask ourselves that what will be the impact of our decision on the poorest person of the country whether our decision is going to protect the interests of poor people or not. The reply given by our heart should be a deciding factor and decision should be in accordance to it.

Mr. Chairman, Sir, through you I would like to know from the hon. Finance Minister that what will be the impact of his decision of permitting set up of new industries like food processing, fertilizers, sugar or paper industry, on the same industries already functioning in the country. How unemployment could be removed? How the people rendered unemployed out of it will earn their livelihood. How their products would be sold? We can think about supporting this Bill if he can guide us on these issues otherwise I will keep on opposing this Bill.

[English]

SHRI YAIMA SINGH YUMNAM (INNER MANIPUR): Mr. Chairman, Sir, I rise to oppose the Bill. At the outset, as the other hon. Members have said I also oppose the promulgation of Ordinances just on the eve of the Session of Parliament. Instead of promulgating the Ordinances the Government could have brought the Bill before the House while it was in session and it could have obtained the approval of the House. The Amendment of the Act could have been discussed and the promulgation of the Ordinance could have been avoided. So, I register my party's opposition to the Bill.

I oppose the signing of the W.T.O. Agreement by India and I have been raising many points on that during the earlier sittings also. I agree with my hon. colleague, Shri Chitta Basu when he says that the agreement requires the approval of the House. I also would like to fall in the same spirit. It would have been more democratic if it was brought before this House for discussion and after obtaining the approval of the House, the agreement could have been made. But it was not done. In short, I would like to mention the general spirit of the Bill that it is a proposal for compromising our economic sovereignty with the foreign countries. I hold the view that it is better to die starving rather than surrendering our sovereignty or prestige to the outsiders, the foreigners. I consider that by signing the agreement and also by entering into that agreement we are surrendering a great deal of our economic sovereignty to the foreign countries, particularly, U.S.A. I am quite against that.

Sir, I hold the view that we are surrendering the

interest of our domestic industries to accommodate the interest of the foreign countries. That is why I want to oppose it. By signing the Agreement we are also surrendering the interest of lakhs of our labourers and I consider that our industries will be discouraged to a great extent.

Lastly, I would like to point out that this will affect very badly the interest of the small States where there are only small-scale industries and the States which have agricultural industries.

Therefore, Sir, I simply rise to register my Party's opposition to the Bill.

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Hon. Mr. Speaker, Sir, I would like to say that on 1st January 1995 we are expecting a new year gift from you but it has proved a nightmare, as because of this liberalisation, our domestic products will become useless and economic sovereignty of the country has been mortgaged and it has been done to ratify those laws in accordance with the World Trade Organisation.

At the time of bringing this Bill, you have said that it has been brought to protect the interests of Indian industry and capital investors but I would like to say that in reality it is against the interests of Indian consumers. If such a big and important agreement was to be signed and this law was to be changed in accordance with the World Trade Organisation then what was the need to issue the ordinance. If you could frame a law by passing a Bill in Rajya Sabha and Lok Sabha. You would have taken state Legislative Assemblies into confidence for enacting the law, but it was not done. You have signed the agreement on 1st January 1995 and now you are compelled to change the law. I would like to say that indigenous goods cannot stand in the market by giving relaxations in import. Even today the Textiles Mills are closed in Kanpur and other places; you should consider it. Unemployment will definitely increase by bringing this Bill. As the all leaders of my party, I strongly oppose this Bill. This is an act of mortgaging the nation.

Earlier East India Company came to India and that single company made us its slave for so many years and today you are inviting so many companies. You should find out the items being produced indigenously and in which this country is self reliant. If you collect and study the data of goods produced within the country you will not invite the multinational companies. You are a good and intelligent Finance Minister and know the economy thoroughly. You have offered resignation on moral grounds several times. I would like to say that before passing this Bill you should think over it seriously. You should hold discussion on this subject to maintain your image. I oppose this Bill and ordinance both as it is not in the interest of the country.

[English]

SHRI MANMOHAN SINGH: Sir, I had listened with great interest and respect to all the hon. Members who have taken part in the debate. I think, as Shri Chitta Basu

himself has recognized, there is nothing unconstitutional about this Bill. It is certainly a follow-up to our joining the World Trade Organisation. The Uruguay Round issue has been discussed in the House time and again and I would like to once again reiterate that there is nothing in the World Trade Organisation Charter which is against the interests of India. India today has to flourish in a world which is increasingly interdependent. If you are going to say that you are going to close your border to goods coming from outside, think of those handloom weavers who depend upon export of handloom cloth from India, think of their future. If you are wanting India's borders to be closed, think of all those millions of our people who are engaged in the textile industry. Textile industry of India is booming today. The engineering industry of India, the gems and jewellery and all these activities are booming, contrary to what the hon. Members of the Opposition have been preaching for the last four years. India's exports have flourished, India's industry has flourished as a result of this liberalisation. So, nothing could be farther from the truth that these policies have led to unemployment, these policies have led to de-industrialisation or that these policies have hurt employment. Employment today is growing at twice the rate, which was not the case when this Government came into office. So, I can assure this hon. House that there is nothing in the World Trade Organisation which is against the interests of India. It is the only way in which, in this increasingly interdependent world that we live in India can realise its full development potential. Now, the issues of the World Trade Organisation have been discussed and, therefore, I do not wish to go into all those things.

This is a very simple Bill. It is such a Bill that if some countries want to dump their goods into our country, if they want to indulge in unfair competition, then we must have protective legislation to take action against those imports.

I thought, therefore, that all Members of this House, regardless of their political affiliations, would support this Bill. This is not a Bill to encourage imports. It is a Bill to discourage unfair competition. If anybody from abroad wants to dump his goods in our country by subsidising his goods at unfair prices, then this Bill empowers our country to take action by way of levying anti-dumping duties.

SHRI ANNA JOSHI: What action are you going to take?

SHRI MANMOHAN SINGH: Well, whatever action is necessary, I am just explaining. We will put countervailing duties to neutralise all the subsidies that they may give unfairly to dump their goods. (Interruptions) Please don't disturb me. I am not yielding.

MR. CHAIRMAN: Don't disturb please.

SHRI MANMOHAN SINGH: Therefore, this is a very simple Bill. If you want India's industry to be protected against unfair competition, if you want the interests of the workers of India to be safeguarded against unfair competition from abroad, then I would urge hon. Members to support the Bill.

This is a Bill with a limited objective. Now, issues with regard to the World Trade Organisation, issues of sovereignty and all those issues have been debated.

Let me say that this Government is as sincere in its desire to protect India's economic sovereignty as any other Party. In fact, whatever we have done in the last four years has raised India's prestige abroad. India today makes news in every corner of the world. India is respected and as far as the membership of the World Trade Organisation is concerned, why is it that no country in the world wants to remain outside the World Trade Organisation? Why are the Chinese, for example, wanting the Americans to help them to get into World Trade Organisation?

I would, therefore, respectfully submit that in this increasingly inter-dependent world that we live in, India cannot prosper unless India exports more and India cannot export more unless Indian industry is competitive. What we have done in the last four years has greatly strengthened India's competitiveness. Our exports last year increased in dollar terms at 20 per cent. This year, they are increasing at the rate of 17 per cent. We have reduced India's external debt. We have strengthened India's balance of payment. Employment, production and everything is growing and, therefore, I would respectfully submit to this House that we can debate all those remaining issues when it comes to the issues of the Budget. Let us unanimously pass this simple Bill which has a limited objective to protect India's industry and to protect India's workers against unfair competition from abroad.

With these words, I request the hon. Members to withdraw their Resolution and support the Bill.

SHRI JITENDRA NATH DAS (Jalpaiguri): This Bill, I think will not be able to protect the interests of the basic technology of our country. That is number one.

Number two is according to the Finance Minister, Dr. Manmohan Singh, this Bill has got limited objectives.

But, I think, it has got a big and bigger background. The Bill fails to protect the interests of the small-scale industries and the manufacturers of consumer goods. This Bill is the child of GATT. Sir, you know about it. So, under these circumstances, I am not withdrawing my Statutory Resolution.

MR. CHAIRMAN: Now, I shall put the Statutory Resolution moved by Shri Jitendra Nath Das to the vote of the House.

The question is:

"That this House disapproves of the Customs Tariff (Amendment) Ordinance, 1994 (No. 14 of 1994) promulgated by the President on December 31, 1994."

*The motion was negatived.*

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Customs Tariff Act, 1975, be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN: The House will now take up clause-by-clause consideration of the Bill.

The question is:

"That Clauses 2 and 3 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 and 3 were added to the Bill.*

MR. CHAIRMAN: 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 Long Title were added to the Bill.*

SHRI MANMOHAN SINGH: Sir I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

*The motion was adopted.*

15.27 hrs.

[English]

STATUTORY RESOLUTION RE: DISAPPROVAL OF THE PATENTS (AMENDMENT) ORDINANCE, AND PATENTS (AMENDMENT) BILL

SHRI TARIT BARAN TOPDAR (Barrackpore): Sir, I beg to move:

"That this House disapproves of the Patents (Amendment) Ordinance, 1994 (No. 13 of 1994) promulgated by the President of December 31, 1994."

Sir in the course of moving the Statutory Resolution, first of all, I want to mention that the Government has issued a statement in this regard. I read out a part of that statement.

"India has signed the agreement for the establishment of World Trade Organisation including the Agreement on Trade Related Aspects of Intellectual Property Rights etc. etc. With a view to meeting India's obligations under the TRIPS Agreement, it has become necessary to amend the Patents Act, 1970 in conformity with the obligations under the Agreement."

Further, it has also been stated that one of the obligations under the TRIPS Agreement is for Member-countries to provide, with effect from 1st January 1995, means of filling of applications for patents in the areas of pharmaceuticals and agricultural chemicals and, on fulfilling certain conditions by such applicants, granting exclusive marketing rights till the expiry of a period of five years or until the patent is granted or rejected, whichever is earlier. This is one point which necessitated the promulgation of this Ordinance and subsequently to bring forward this Bill.

Another point is that since the Patents Act, 1970 does not provide for product patents for these items and a transition period is available to mark provisions in this regard, arrangement were to be made to provide for grant of exclusive marketing rights in these areas in order to assume obligation with effect from 1st January, 1995.

There are other reasons also, but I stop here.

The second point that I want to reiterate is this. What the Government says is, since the Patents Act, 1970 does not provide for product patents for these items, a transition