

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 Long Title were added to the Bill.*

MR. DEPUTY SPEAKER: The Minister may now move that the Bill, as passed by Rajya Sabha, be passed.

SHRI MUKUL WASNIK: I beg to move:

"That the Bill, as passed by Rajya Sabha, be passed."

MR. DEPUTY SPEAKER: The question is :

"That the Bill, as passed by Rajya Sabha, be passed."

*The motion was adopted.*

17.06 hrs.

MOTION RE: IMPLICATIONS OF THE DUNKEL DRAFT TEXT ON TRADE NEGOTIATIONS—*Contd.*

[English]

MR. DEPUTY SPEAKER: Shri Sudhir Sawant, you can continue your speech.

SHRI SUDHIR SAWANT (Rajapur): Mr. Deputy Speaker, Sir, the other day

when I was in the midst of my presentation, I had drawn the attention of this House to the hon. Speaker's appeal to evolving a national consensus on this very issue. I had appealed that we should be absolutely practical in our approach taking into account the present international situation. In the first instance, I requested that any discussion on this issue should be taken up considering four parameters in view.

17.07 hrs.

[SHRI TARA SINGH *in the Chair*]

Sir, there was a statement that we should neither export nor import and be in an isolated and in a closed society. I have got my objection to this formulation. It goes to the very concept whether we should be a member of GATT or not. That is a parameter, which should be clearly understood.

As Shri Rabi Ray had brought out while quoting Pandit Jawaharlal Nehru, we must not forget that India was the founder member of GATT in 1948 and we became the founder member of GATT under the leadership of Pandit Jawaharlal Nehru with a precise purpose to ensure equitable trade in the world so that the developing countries can develop. That basic objective should not be set aside. I consider the formulation that we should neither export nor import as preposterous.

Shri Rabi Ray had also brought out the fact that the Government is not concentrating on employment. Employment lies at the very root of all the problems in the world. Intense competition in the world is precisely for this purpose and employment can be ensured when there is a demand generated in the economy either domestic

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or foreign. And for this purpose, in the present day world, we have to export and export more because today's phrase is "export or perish". To ensure this, we have to be a part of the system and we cannot be isolated. Today's world is not the world of pre-1948. It is quite different now. In the world, distances have crumbled. We are very close. And that is why, we cannot even contemplate of being isolated.

What Shri Rabi Ray had said that the Finance Minister is against *Swadeshi* is patently wrong. *Swadeshi* does not mean isolation — *Atam Nirbharta*. We cannot remain isolated in the world. This particular point should not be lost sight of. Considering this, we must see in what manner we are going to progress.

The hon. Speaker also pointed out a fact that the issue today is whether we want to be a member of the GATT, a part of the multilateral trading system or we are to deal with every individual country like China does. We have seen China's plight. The United States could not use the Super 301 because we are a member of GATT, whereas China every year was at the mercy of the United States Congress to gain his MFN status. Everywhere it had to lobby and for lobbying it utilised the very purpose against the people, against which some of our friends have objections here. Today, China seeks the membership of GATT. This point should not be lost sight of. And what is Dunkel? Dunkel because the Uruguay round could not come to a successful completion in 1991 and a draft proposal as a compromise package was forwarded. It is, in fact, a package of 28 agreements on the basis of which it was sought to narrow down differences.

Keeping all these in view, I would emphasize here, we may have our reservations on certain issues, I also have some reservation which I will elucidate in the course of my presentation, but, whatever decision we take, it must be commensurate with the national interests.

I think, today there is no one better qualified to safeguard our national interests than the present Government and fortunately we have Shri Pranab Mukherjee as the Commerce Minister who is well-equipped to guide this nation, the ship of India's economy and the nation to its proper goal. Therefore, there should not be the claim that the Government is trying to sell out. Unfortunately this Dunkel proposal was utilised by various political parties in a partisan manner which was visible in the recent elections. But we lose sight that from 1989 to 1991 there was a Government of Janata Dal backed by the Communist Party, by the BJP Party which has not given any proposal and which has not even bothered to discuss about the Uruguay round in this House. I do not understand why there was no necessity because this Uruguay round is from 1986 when this package was given because earlier GATT negotiations were limited to goods. But, in 1986, other features like Intellectual Property Rights and the services were clubbed in. In these two years India finds itself in a peculiar predicament today because the international prestige of India went down in the period of 1989 to 1991. India could mobilize opinion in this world prior to that. However, the prestige went down during the period 1989 to 1991 and the necessary creditability which a nation required to mobilize world opinion was not there. Fortunately in the last two and a half years our Government has gone forward and taken many decisive steps to

regain the prestige which we had lost. Today I am very happy to say that the Prime Minister, Shri P.V. Narasimha Rao visited China and Iraq in an attempt to develop such a type of opinion. So, again my appeal is that it would be better if we follow the procedure of consensus.

The second parameter I would like to project forward is that the Government cannot today or even the Commerce Minister cannot today in this House commit as to what exactly is going to come because it is a part of a strategy which has to be followed. We cannot lay our cards on the table completely. Therefore, I would request the leaders of all political parties to get-together and evolve a particular approach as to what strategy we must follow.

SHRI INDRAJIT GUPTA (Midnapore): The Government must call them.

SHRI SUDHIR SAWANT: Probably the Government will definitely call them and evolve a consensus on this matter and go forward with it.

The third parameter is that we must realise that India is in a much better position compared to many developing countries of the world and precisely India cannot go alone in whatever it has to do. What is essential is that India should take the lead and mobilise the world opinion. This much we agree but the world opinion should be prepared to be mobilised. This attempt has to be made so that the stand which we take, would have sufficient power behind it to get it implemented.

The fourth parameter which we must consider is that whenever we sign an international treaty, it has to be converted into domestic law, and this

conversion is going to be done by this very House. So, there is no reason to fear that if we sign a treaty, we are going to sell out our country.

SHRI SOMNATH CHATTERJEE (Bolpur): Are you supporting it?

SHRI SUDHIR SAWANT: You would come to know by and by.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): I am sure, at the end of it we would be able to know or we would not be able to know.

SHRI SUDHIR SAWANT: I would request my esteemed elder colleague to be patient and then comment on whatever I say.

So, Sir, having established these four parameters, I would come down to the proposals straightaway. The first thing on the agricultural side is the subsidy. At present five per cent for the developed countries and ten percent for others is the ceiling of subsidy that has been laid down in this Draft. As far as India is concerned, we would certainly benefit currently but there are some issues which must be considered. As far as subsidy is concerned, I would just quote from the Draft. On page L-20, in para 8, it has been stated:

"All domestic support in favour of agricultural producers, with the exception of measures exempted for reduction, shall be reduced from the year 1993 to the year 1999 by twenty per cent."

This is precisely the objectionable clause in that. In many developed countries, the subsidies are unimaginable.

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For example, in Japan, the subsidy on rice is 700 per cent. Even if it is reduced by twenty per cent in the next four years, the subsidy will still remain at 540 per cent. So, is the case everywhere in the world. This clause is patently inequitable. All rules should apply equally to all countries and, therefore, the ceiling of five per cent and ten per cent, should be maintained above board. It is not that just by decreasing it by twenty per cent, it will do because after fifteen years, or twenty years for that matter, what would be the situation, we do not know. Whether at that point of time India would require more subsidy or whether our agricultural goods will be competitive in that scenario, this matter must be considered.

The next point is of minimum market access. In this Draft, it is covered by the balance of payment clause which exempts India from providing 3.3 per cent market access. The other day Indrajit ji said that it is the IMF which is going to decide on the balance of payment issue. Having read the Draft, I do not think there is any such clause in this Draft. But one point I would like to make. He has said that the Finance Minister is saying that there is no balance of payments problem. This is not a fact.

Because India has now a debt of around 80 million dollars. There is also a large trade gap and there is also debt servicing. So, the balance of payment problem is going to persist and, therefore, India will be exempted of this minimum market access of 3 per cent.

The matter of concern is the food security clause. Someone said that PDS will not be involved. It was stated by some people that this is not the issue. But, on

this very subject, I would like to read out the Clause which says—it is on page L-14, para 3 - as follows :

"The volume and accumulation of such stocks shall correspond to predetermined targets related solely to food security. The process of stock accumulation and disposal shall be financially transparent. Food purchases by the government shall be made at current market prices and sales from food security stocks shall be made at no less than the current domestic market price for the product and quality in question".

This Clause enjoins the Government to purchase at domestic market price. The question of minimum support price will come up. Secondly, you have to sell at current domestic market price. I do not know how the PDS will be exempted in this particular situation.

The third very damaging clause in this—as I read through it—is in between the lines and it is transparency of food stocks. The entire world, every country will have to make their food stocks transparent. This, I think, for security reasons may not be a very vital proposal especially in countries like Africa and other nations. Well, today India's food stocks are sufficient. We are in a comfortable situation with five successive good monsoons. But this very fact may be an issue of which a lot of arm-twisting can be done. This transparency of food stocks, I think, should not be included in the Draft.

The next point I want to bring to the notice is about sanitary and phyto-sanitary measures. Because of the

subsidy clause we have said that agricultural exports will increase. But the phyto-sanitary measures are basically barriers again. I will give an example. The alphonso mangoes grown in my constituency are the most popular mangoes in the world. But, in the U.S.A. and Japan it is banned because of fruit-fly. But it is not banned in European Community and in other parts of the world. I do not know what measures or standards are going to be laid as far as sanitary measures are concerned. But that should be a mechanism wherein such measures would be open to scrutiny and where developing countries would not then be subject to protectionism on the grants and sanitary measures. Sanitary measures are there, no doubt, to protect animal or plant life or help within the territory of the contracting parties from risk arising from entry, establishment or spread of diseases, disease-carrying organism and so on. This very ground can become a barrier for the developing countries as it is a barrier today in case of the example which is quoted by me.

As for the intellectual property rights, the matter of concern here is not what the definition on intellectual property right says. In Article 27 on page 69 it is mentioned as follows :

"Subject to the provisions of paragraphs 2 and 3 below, patents shall be available for any inventions, whether products or processes, in all fields of technology..."

So, now we have been subjected to denial of cryogenic engines, because it encompasses all fields of technology whereas the Uruguay Round was supposed to be limited to trade. The Uruguay Round has now included

Intellectual Property Rights also. My fear is, with the MTCR and with the nuclear treaties, we require satellites and we require technologies which have defence applications. Most of the technologies which have defence applications have got industrial applications also. In fact, 95 per cent of the technologies have got both the applications. So, only because we are not signing the NPT, can this become another measure of cross retaliation on trade? Nobody has mentioned this fact, but this is my apprehension. When you bring the entire technological field into the Uruguay Round, then what is going to be the effect on national security? This is another matter which has to be carefully examined, because, as far as national security and defence production is concerned, we have been importing technologies by any method and producing the weapons required for our security and if these features are utilised tomorrow for creating barriers, for sanctions, then this is a matter of great concern. This should be examined in its proper form because the complete implications may not be visible here. That is why, this clause can be utilised to deny technology to the developing world and that is what is objectionable.

Sir, as far as pharmaceuticals is concerned, everything can be taken care of, if there is compulsory licensing and my objection to the entire I.P.R. is based on that, because every country must have the right to get technology. Is the Uruguay Round going to establish that any country can have any technology that is required so that things like the denial of cryogenic engines do not recur again by arm-twisting methods? That is why, compulsory licensing should be there as far as pharmaceuticals is concerned and as far as all fields of technology are concerned on payment of royalty. We are

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not against profit and any patent holder can make profits, but we are against profiteering. Therefore, this point requires serious consideration.

As far as seeds patent is concerned, sufficient safeguard is there because it allows *sui generis* system so that when seeds are taken, they are not subjected to international scrutiny, but to national laws. This Parliament is capable of looking after this country and can develop the proper laws. But the problem comes here when it says like this:

"That parties shall provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof."

But my objection to this provision which says:

"That this provision shall be reviewed four years after the entering into force of this agreement."

Why is this clause of review? Is the allowing of *sui generis* system for the sake of obtaining agreement of various parties only? So, this is a particular point which must be considered and this clause of review must be eliminated.

Sir, I would like to mention one point raised by Indrajitji about the Constitution saying that the States have not been consulted before doing what we are going to do.

And that the Constitution calls for that we must have the sanction of States

for what we are going to do. Nothing is far from the truth. Article 253 of the Constitution is very clear. It says:

"Notwithstanding anything in the foregoing provisions of this Chapter, Parliament has power to make any law for the whole or any part of the territory of India for implementing any treaty, agreement or convention with any other country or countries or any decision made at any international conference, association or other body."

So, for this purpose, Parliament has been given powers by the framers of the Constitution to legislate on all these lists. The founders of the Constitution did lay emphasis and did rely on the wisdom of this House to evolve proper international agreements.

In conclusion, I would like to project some alternatives. Today it is a fact that India finds itself in a difficult situation in the international arena where the countries like United States or the developed countries would definitely view future India, strong India as a threat. This is not surprising and there may be attempts to do or undo many things which we attempt to do. We see now, with the example of NAFTA draft, in this world to evolve regional blocs, trade blocs. India unfortunately is part of none of the blocs. I do not know whether we have failed diplomatically or for some other reasons because as I said, 1989—91 was a period which did bring down India's prestige internationally. Diplomatic initiatives must be taken to evolve consensus in the developing countries, with China, with Iran. Unfortunately G-15 Summit which was called is also not taking place in its form which we intended to. But there is a requirement in the world

to evolve a bloc of countries, trading bloc of which India should attempt for this.

The next course of action which should be taken is to evolve national consensus on all these issues so that India takes a stand based on national consensus on which all leaders of political parties can be associated.

The third thing is, it is not that always what we sign, we will do. This also we must consider. I quote one example. About the Texas instrument, it has been applied for patent in Japan. Japan has signed Texas instrument for patenting intellectual property right. Japan took 17 years to give patent right on a computer chip. This is the first chip developed in the world. In those 17 years, all industries as far as computer chips in the United States were concerned were wiped out because in that period, Japan utilised that. I would request you to consider that it is not that we are going to sign and we are going to throw our sovereignty away. The thing is, this Parliament will exist; this Government will exist. This country is going to exist and all the institutions in the country are there to safeguard our national interests. Therefore, just because of some apprehension, some dogmatic ideologies guiding us to take some decision, we should not get out of GATT. GATT is an institution which we have made. Just because United Nations is dominated by the U.S.A. you do not get out of this. It is not the answer. Like this, we have to see, we have to mobilise the world opinion; we have to form our own blocs. This country has to grow strong. That is how, we can survive in this very unstable world of today.

That is why, I again call upon this House to take stock of the situation and take a pragmatic approach and assist the

Government in taking a correct approach which would ensure very safe future for this country.

SHRI SOBHANADREESWARA RAO, VADDE (Vijayawada): Sir, I thank you for giving me this opportunity to speak on this important item. Because of the fact that ours is a small Party and I, being the only Member from my Party, I will confine only to agriculture.

I was hearing the speeches of Shri P. Chidambaram and Shri Pranab Mukherjee while initiating the discussion. Still, several doubts have been left which I would request the hon. Minister to clarify in his reply.

You are aware that he has stated that the farmers need not be afraid that they will lose their traditional right to save seeds from his produce and exchange or sell to his neighbour farmers. But I would like to draw the attention of the hon. Minister to the fact that a very responsible officer who has negotiated on our behalf in the GATT has stated before a Committee that the industrialised countries are not willing to agree to the exchange of seeds between the farmers in black and white because this is the life-line of our agriculture. Even after 4 1/2 decades of our independence, still the National Seeds Corporations or the various private sector trade companies were able to supply only 38% of the seed required, whereas 62% of the seed requirement is met by supply of the farmers mutually in the village or by the neighbouring villages.

My apprehension is if this right is not protected, out of 10 crores of farmers holdings in this country, 75 per cent belong to small and marginal farmers and

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in a particular situation where 2 lakhs of villages do not have an all-weather road to go, how these marginal farmers can go to the tehsil headquarters or district headquarters or nearby big town to purchase seeds? That is the grave concern and I appeal to the hon. Minister to clarify this point.

He was saying that we have scope in this Dunkel draft to evolve *sui generis* system, a completely alternative one, which will take of our interests. True. But in the note that was circulated by your Ministry for the convenience of the Members, you have said on page 12:—

"Although the Dunkel text does not refer to any particular international convention in the context of the *sui generis* protection of plant varieties, an international convention which is known as UPOV and covers the protection of plant varieties can be referred to for guidance."

The 1978 text goes on to describe the text of that.

My query to the hon. Minister is whether our *sui generis* system which we want to evolve, of course, by bringing it before this Parliament House, will it have to conform to the 1978 UPOV convention decision?

I would also like to know whether in that 1978 UPOV convention, there are farmers' exemptions and breeders' exemptions which, to some extent, take care of special circumstances of countries like ours. But after 1995, what is the fate? Will the 1978 UPOV decision be applicable even after 1995 or after 1995,

will the latest UPOV 1991 decisions will come into effect where this farmers' exemption and the breeders' exemption and researchers' exemptions have been completely taken away? In that context, we will be put to serious inconvenience and it will cause tremendous damage to our agricultural interests.

In spite of what the Government says, for the last so many years, we are importing nearly, on an average, 12 lakh tonnes of foodgrains. This very year also, we have contracted for 30 lakh tonnes of foodgrains though it may not be completely imported. But we have already contracted it. In these circumstances, this traditional right should be preserved under any circumstances. This is my humble submission to the Government. During his reply, let the hon. Minister clarify categorically that this right would be protected. That also involves the right of the farmers to modify the seed to suit the local condition, our geographical, climatic conditions, to suit our diseases etc. Hitherto, we were having that. The hon. Minister must tell whether that right would be protected or not. If our breeders' exemption is not protected, what will happen?

Sir, you know, in India most of the research in agriculture is going on in the Indian Agricultural Universities, research stations and the coordinated projects throughout the country which we have. That will be almost given a go-by because we will have to pay very hefty royalties to the plant breeders. I want to have a clear clarification from the hon. Minister in this regard also.

There is a FAO resolution adopted sometime ago that when you have to protect the plant breeders' right, also the farmers right should be protected. Why I



am raising this point is in this country, we have got abundant neem trees. Everywhere in our country neem trees are there. Out of this neem tree, now a U.S. Company named Grace Company is producing Morgosono Bio-pesticide. Hitherto, our farmers are also doing that in a crude form. The neem seeds are crushed and an emulsion is prepared out of it. We spray that emulsion on some crops to repel some insects. Now, the Grace Company is doing it. It has already patented that insecticide. In such circumstances, as per the FAO decision, this country which has got neem trees in abundance and neem seeds, must get the share. We cannot simply be taken for a ride by that Grace Company just by patenting a particular product there and making billions and billions of rupees out of it. Let the hon. Minister clarify this point.

Regarding the subsidies issue, the hon. Minister as well as the hon. Member Shri: P. Chidambaram — who was also the Minister of State for Commerce for some time — were telling that because of the subsidies provision, a boon will come to our Indian agriculture. I am really so pained to hear when Shri P. Chidambaram said that all these years the Indian farmers have been getting very low prices when compared to the international prices and because of the GATT the Indian farmers will get a higher price; we will be able to export so much to the foreign countries. Is there anything more damaging than this statement? The point is you have deprived the farmers of this country to get a fair price. Is the GATT necessary to make you give the farmers a reasonable price? In this context, I will tell you one thing. *(Interruptions)*

Please hear me. In our own Constitution, in the Directive Principles,

we have made a commitment before the public saying: "The State shall, in particular, strive to minimise the inequalities in income and endeavour to eliminate inequalities in status, facilities and opportunities not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations." *(Interruptions)*

Please hear me. Shri Charles, I have not objected when your Members were speaking. Please do not disturb me because my time is very limited. Please have the patience to hear me. I think you are a friend of the farmers.

Mr. Chairman, Sir, you are coming from the agricultural community. You know that when compared with 1970-71, the ratio of income of the people living in the agricultural sector and non-agricultural sector has increased from 1:2 to 1:4.

In Japan, just now my friend said, the Japanese farmer is getting five times the price which is given in the international market. Why? It is because there is a basic agriculture law of 1961 which promises the farmers of Japan that the Government will help in increasing their productivity and also they will ensure that the income of the farmers is also kept on par with the income of the people who are living in non-agriculture sector. That is why, when the Government is giving help, Japanese people do not feel bad if they have to pay a higher price because they also want the farmers to live with all dignity, decorum and status. All these years, this Government has not done that. He has just now said that only twenty per cent is to be reduced whereas in our country the subsidy that is given is a pittance. In 1980, the USA gave seventy billion dollars as subsidy to the agriculture

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sector and the European Economic Community gave 134 billion dollars as subsidy. And the per capita support in USA is 150 dollars though only two per cent of the people are living on agriculture and in the European Economic Community, the per capita support is 240 dollars. But in Japan, the per capita support is 260 dollars. What about our country? It is hardly nine dollars. If I remember well, the Minister some time back said on the floor of this very House that if the Government gives up to Rs. 30,000 crores as subsidy, then we will not be attracted by the Dunkel's provisions. All right. Then why have you reduced the subsidy on fertilizers? Fertilizer subsidy was decreased and the price of the phosphatic fertilizer and potashic fertilizers was enhanced by hundred per cent. In potash, it is more than hundred per cent. What is the result? The consumption of fertilizers has gone down by 24 per cent. The Agriculture Minister has accepted that. Will this 24 per cent reduction in the consumption of fertilizers not going to have any bearing on our productivity and production? I am not satisfied with that.

Now the Government is very very keen to increase the electricity tariff on agriculture to fifty per cent per unit. Some time back a Committee was appointed under the Chairmanship of Shri Vaidyanathan. They had calculated that on an average in India, Rs. 68 is the water charges per acre of land. And the Committee recommended that it must be enhanced to Rs. 340. In spite of the fact that we do not have commitment to reduce non-product specific support because of the pressure from the IMF and the World Bank, you are reducing the consumption by giving it a go-bye. I have

heard many a time our Finance Minister very loudly saying in different forums that this Government is very very keen to do away with the subsidy business. In that context, will we be in a position to export our agricultural products? Today the price advantage which we have, we may not have that in future when the cost of production will go up. When the cost of our rice, wheat and cotton will go up, we may not be able to compete in the world market because then the subsidy level will be reduced by only twenty per cent leaving 80 per cent support in those countries. Still 64 per cent export subsidy will continue; 64 per cent trade barriers will also continue. In these circumstances, I fear that instead of giving our agriculture a boon, it may be a curse. That is what I humbly submit to this Government, not out of any political compulsion, or to find fault with the Government. But this is the genuine concern of the farmers of this country. So, let the hon. Minister while replying say about the present level of support, in figures, that is given in those countries and to what extent it is here.

I will tell you regarding the non-product specific support. The hon. Minister and Shri Chidambaram were telling that except in the case of three commodities, for all other commodities, the non-product specific support is less than ten per cent. We definitely agree. But, regarding the sugarcane, when you calculate it with the statutory minimum price decided by the Government of India, it may be less than ten per cent. As you know, because it is not a remunerative price, almost all the State Governments are giving State advised prices.

SHRI A. CHARLES (Trivandrum): It is being implemented in your State.

SHRI SOBHANADREESWARA  
RAO VADDE: Everywhere.

SHRI A. CHARLES: You are speaking for rich farmers.

SHRI SOBHANADREESWARA  
RAO VADDE: If somebody speaks regarding agriculture, do you mean that he is a rich farmer? I can tell you that I am much smaller than many of those members sitting on your side. Please do not misunderstand like that. Just because somebody speaks for farmers, do not think that we are big or rich farmers. You try to ignore the interests of the farmers and that is the whole pity.

MR. CHAIRMAN: Please be brief.

SHRI SOBHANADREESWARA  
RAO VADDE: This is a very important point. It takes away the right of the Government to encourage the farmer to raise a particular crop, to meet our particular circumstances. When State advised prices are taken into consideration, I specifically ask the hon. Minister to say in his reply — 1986, 1987 and 1988 are the years which are taken for our calculation purposes — what are the product specific support on sugarcane in the States of U.P. Bihar and Haryana and also on DHB groundnut. My information is that it is more than ten per cent because all these years, we are importing edible oils from abroad, spending thousand of crores of rupees in foreign exchange. The Government has introduced a Technology Mission on Oilseeds; there is a price ban and Government was doing a good thing. Of course, I do not find any fault with that, though something more could be done. Today, through that, India has become nearly self-sufficient. But now, because of the Dunkel Draft provisions, they will

curtail and take away the right of this Government to help, to encourage a particular crop in our national interest. I want to know from the hon. Minister whether it is correct or not.

My information is that already, the European Economic Community, knowing that they have to reduce to some extent this support, to circumvent, to overcome that, they have evolved compensatory payments system. They have already formulated this, during these negotiations itself. My information is that the compensatory payment in the European Community countries is to the tune of Rs. 8,000 per hectare. I want to know whether it is correct or not, whether those Governments have already taken some measures to overcome this reduction commitment by taking some other steps. I get so much laughter really when one of our negotiators told me the objective of these developed countries, that is : "You developing countries, if you have money, you pay money, you pay income to your small farmers; but, do not ask them to produce more". This is what was said. They know that our country, in the present circumstances, where we owe Rs. 2,66,000 crore as foreign debt, is not in a position to give even Rs. 100 to one family. That is the sorry state of affairs, whereas those countries, in the name of decoupled production, income support, income insurance, backward areas, and on various other names, are giving exemptions; these are all exempted.

My demand to the Government is, if you are really serious that the Indian agriculture should prosper and the Indian farmers should get the benefit, you see that those subsidies given in those countries are given a go-bye completely; then, we will have the advantage. Sir, France, even though the reduction

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commitment is very small, is making all out efforts to resist that, to protect their farmers' interests, their nation's interest, where only six per cent of the people are farmers. In this country, where sixty six per cent of the population depends on agriculture, you do not have any concern for these farmers. You are just writing them off; you are taking them for granted.

The other day our revered leader Shri Indrajit Gupta raised a very important point. Agriculture comes under the State subject. My friend said that the National Government can enter into any treaty. After giving birth to the children the father and the mother will have definitely a right to choose the boy or the girl when they perform the marriage of their son or daughter. But the children are given a choice; they will be asked 'whether you like this match or not, what is your wish'. They will ask their children like that. But here without asking the State Governments you want to take a decision and you want to enter into a treaty. That is what is happening. I would like to tell on this very crucial State Subject matter like agriculture and health care that you have not sought the opinion of the State Governments.

17.56 hrs.

[MR. SPEAKER *in the Chair*]

In fact I was baffled when my friends said that the West Bengal Chief Minister has written a letter to the Prime Minister requesting him to please ascertain the views of the States and give them an opportunity to express their views.

MR. SPEAKER: Let me make it very clear. We have been discussing this

Dunkel proposal for three days now. You cannot continue the discussion for three days and four days continuously. The only point which you have to bear in mind is not to repeat the point. This point was very forcefully made by Shri Indrajitji and you do not have to repeat this. Please conclude.

SHRI SOBHANADRESWARA RAO VADDE: The views of the State Governments and the legislators have to be taken. I remember very well that Andhra Pradesh Legislative Assembly has passed a unanimous resolution not agreeing to the Dunkel Draft and asking the Central Government to reject it. My request to the Government is to consider the views of the State Governments also.

Regarding the market access, we can have exemptions from the minimum market access when our income is less than 1000 dollars per capital or the BOP position. I will bring to the notice of the Government a very interesting news.

MR. SPEAKER: You have spoken for half-an-hour; I was listening from my Chamber.

SHRI SOBHANADRESWARA RAO VADDE: I am not repeating what is said by other Members. I will take only four-five minutes.

I am bringing to your notice one important matter. On 5.6.1993 I have come across a news where the IMF has evaluated the per capita income in our country as 1255 dollars, whereas our official figure is only 330 dollars. But they have calculated it on the basis of the purchasing capacity—how many times coffee is taken, meals are taken, medicines are taken etc. On that basis

they have evaluated it as 1255 dollars. Now the important pertinent question is, whether it is the IMF which is going to decide whether our per capita income is below 1000 dollars or not, whether we are facing a BOP problem or not.

Our Finance Minister many times said that this Government has inherited a very difficult economic situation and today the foreign exchange reserve position is quite comfortable. He goes on stating this not only within the country, but abroad also. In these circumstances what will be the IMF's stand — that this country is facing a BOP position or our per capita income is less than 1000 dollars. Kindly clarify this important point whether the Government has sought any clarification from the IMF as to how they have evaluated and how they have come to this conclusion. Please let us know.

Regarding the current access, in the years 1986, 1987, 1988 we have imported a lot of edible oil and sugar. We have maintained that level, I am sure. What will be the level in terms of quantum and value of these imports that we have to make?

Finally I would like to touch the health care in one sentence. Some time back Justice Hidayutallah, Justice Chandrachud and Justice Shaw were telling that the decisions of the Paris Convention were not in consonance with the provisions of our Indian Constitution. Now these Dunkel proposals go beyond the Paris Convention. Are you going to sign that? Hitherto the Government of India has taken a stand that we will not be a signatory to Paris Convention because in our national interest we have to protect the interest of the ordinary people of this country and the common man of this country. Please let us know now what will be your stand.

Finally I would conclude by saying that many Members were asking that if you get out of the GATT what will be our position.

18.00 hrs

We do not want the Government to get out of the GATT. But, it is our national interest which is very important; and we should be in the forefront.

I will tell you one thing. Only on Saturday, there was a news item saying that the Third World is getting a raw deal in GATT talks. I will quote only one sentence. The Indian envoy said on 4th December that the developing countries were frustrated at poor market access offered by the major industrialised States in the Uruguay Round of negotiations. This is the situation. Out of an amount of 217 billion dollars which the countries are estimated to benefit from this Round of negotiations, the share of India will be only 4.6 billion dollars. (*Interruptions*) The industrialised countries will get the lion's share of 140 billion dollars. So, this is going for whose benefit? Please do not mortgage the interests of the farmers of this country or the common people of this country.

For health care, you are spending only 1.7 per cent of the Plan outlay. He was telling that only 45 per cent will be the increase on the drug prices. But, my fear is that the prices will increase by 300 to 500 per cent. So, the lower middle class and the middle class people will have to die because of their inability to purchase the medicines. Please keep the national interest in mind. (*Interruptions*) If GATT agrees to our suggestions to bring about amendments, to make changes in the Draft, to protect our interests, please sign it. Otherwise, please do not sign it.

[Shri Sobhanadreeswara Rao Vadde]

Prior to that, please ascertain the views of and the consent of more than half of the States. Otherwise, though your envoy may sign there, the people of this country will not tolerate that, will not accept that and when the police officials or the implementation authorities come to the farmers, they will kick them and they will throw them out; they will not tolerate this wretched agreement that will be forced on the farmers of this country.

With these words I would conclude; I thank you very much for having given me the opportunity.

MR. SPEAKER: Well, may I bring to the notice of the hon. Members that the time allotted for the discussion of this topic was three hours? Now, we have discussed it for nine hours. I am requesting Shri George Fernandes to make a speech. He makes very good speeches and generally, there will not be any restriction; but please bear this point in mind.

*(Interruptions)*

SHRI BHOGENDRA JHA  
(Madhubani): Sir, I have sent my name.  
*(Interruptions)*

MR. SPEAKER: You will not get the time, please. Shri George Fernandes.

*(Interruptions)*

MR. SPEAKER: You cannot just give the list at the fag end of the discussion and ask for the time. You should have done it at the beginning; we would have planned for you and given you the time.

*(Interruptions)*

MR. SPEAKER: I am not allowing you.

*(Interruptions)*

*[Translation]*

SHRI BHOGENDRA JHA  
(Madhubani): Please listen to me.

MR. SPEAKER: I am not ready to hear anything.

SHRI BHOGENDRA JHA: The day before yesterday, you had said that those who had given their names can speak today. The reply will be given tomorrow. Those who had given their names for speaking. *(Interruptions)*

Please listen to me. *(Interruptions;)*

MR. SPEAKER: Please look, you always give it at the fag end of the day and insist. We cannot make the plan. If you want to speak on any topic, give it in the beginning and we will give you time to speak.

*(Interruptions)*

SHRI BHOGENDRA JHA: It is a matter of the day before yesterday.  
*(Interruptions)*

MR. SPEAKER: Please give it in writing.

SHRI BHOGENDRA JHA: I have already given it to you in writing.

*[English]*

MR. SPEAKER: I will see this later. Please do not take the time now. Please take your seat.

*(Interruptions)*

[Translation]

SHRI BHOGENDRA JHA: Today, our five thousand and five hundred people have been arrested. We all have come here after being released from there. You will not allow it to be mentioned.

MR. SPEAKER: No, no, not like this.

SHRI BHOGENDRA JHA: Then say in what way it can be done?

[English]

MR. SPEAKER: Please take your seat. As a senior Member, we are trying to accommodate you; but, every time you are imposing your views on us.

[Translation]

SHRI BHOGENDRA JHA: Mr. Speaker, Sir..... (Interruptions)

MR. SPEAKER: Please take your seat. If you want to speak, I will give you time later on.

(Interruptions)

[English]

MR. SPEAKER: Every time, I get his letter at the far end of the discussion. We cannot plan the timing.

(Interruptions)

[Translation]

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Speaker, Sir, we take a lot of pains to put our views before you as

well as this august House. We know it very well that this discussion is merely a formality since the Government has already made up its mind. We feel pricked since the political leaders of our country stand nowhere on this issue, for which we will have to pay in future.

Mr. Speaker, Sir, I was elected to this House in 1967 for the first time, today 26-27 years have passed. About two and half years ago, people used to talk in this House about socialism and among those who used to raise this issue loudly were those who are sitting today on that side. These people often make a reference to Nehruji in a wrong way. Just now our young colleague Sudhir Sawantji was mentioning the name of Nehruji and he was commenting that since Jawahar Lalji had supported "GATT" therefore we too must support it. It is very astonishing. (Interruptions) Therefore these people make a reference to Panditji's name simply because he had supported GATT and plead that we must support it. However we are not concerned with his socialism, but whatever he said about socialism, about decentralisation of public industries and about honesty in this august House, should not be remembered like Mahatma Gandhi's statue which is remembered only once in a year. We should try to follow his principles. Mr. Speaker, Sir, there is the contradiction and this is not new. The slogan of eradication of poverty came from that side, what did it mean and we must ponder over it as to where that slogan has taken us. I had, therefore, remarked in the very beginning that we feel pricked to take part on the debates and we feel that to make the future of those 3 per cent people of the country and to fulfil the main aim of your new economic policy, you are ready to accept the new terms of GATT. This is not being done keeping in view the problems of the people of the country,

[Shri George Fernandes]

[English]

that is what I would like to say to the ruling party.

Mr. Speaker, Sir, the day before yesterday, while starting the debate, you had asked a very logical question that if it was not to be accepted then what was the alternative. Mr. Speaker, Sir, I do not consider it as a complicated question. The answer to that question in one line is that we have to do those things which are in favour of the country. The question is not that whether we should accept GATT or not but we have to do those things which are in favour of the country. This economic policy...

*(Interruptions)*

[English]

MR. SPEAKER: I asked it because this is a multilateral agreement. In a multilateral agreement, you have many countries which can help you to get something you want but in a bilateral agreement, you do not get it. If you are not a part of GATT, then you have to have a bilateral agreement.

[Translation]

SHRI GEORGE FERNANDES: I appreciate your question. The question was quite right. That question should be debated upon and there has been a debate on it upto some extent and I accept that this debate will have to be continued. Had the Government made up its mind, the discussion would have been stopped then and there... *(Interruptions)* We know that the Government has made up its mind, as there is a saying in...

"remains only a rhetorical issue between the Chair and the rest of us."

MR. SPEAKER: It is not a question that I am putting.

[Translation]

SHRI GEORGE FERNANDES: I do not think that the question is wrong. You had asked that question just to give a right direction to this discussion, so that we may tell its alternatives. I do appreciate the justification of your question. When the new economic policy was introduced in the country, its supporters i.e. the people of the ruling party were in a fix but later on they suppressed their soul and were ready to accept each and every thing. But the industrialists of the country, outside this august House have welcomed it. I would like to read out the few lines of 3-4 persons appeared in the Business World of 2nd November. Among those who welcomed it was the famous industrialist of our country, named Fedy Mehta, an economist, the Chairman of Fox Company and a reputed person of Tata family:

[English]

"When you are in a dungeon for years and you are suddenly allowed to break out, you become euphoric but now that realisation is dawning, it is a different story."

[Translation]

Secondly, I am reading out the statement of Deepak Raja, who is not an industrialist but a strategic consultants



director and a person, who finds solution to the problems of the people:

[Translation]

[English]

"The Indian companies will become shopkeepers. They will align with the foreign companies and serve as their distribution agents—a man who is a Strategic Consultants Director."

[Translation]

Thirdly, I am reading out the statement of a person who is advancing very fast, Shri Ravi N. Ruia, the Managing Director of S.R. Gujarat and various other industries:

[English]

"I think the true implications of liberalisation are only now gripping the people and they are realising the problems."

[Translation]

Now, the person I am quoting is a well known personality, who had been associated with Gandhiji and whose father had been an hon. Member of this House, Shri Rahul Bajaj, the Chairman of Bajaj Auto and who has a reputation throughout the world.

[English]

"In one stroke, Parle, as a company, has disappeared. If this happens to several companies, will it be good for India?"

Lastly, here is the person who is famous not only in our country but all over the world and who had set up his company as an indigenous one, Godrej, the present Managing Director of Godrej Soaps says that:

[English]

"I am all for liberalization. What we are asking the Government is for a level playing field with foreigners."

[Translation]

This is their conception. Those who have welcomed this policy have drawn this conclusion in one and a half year. I have made a reference to a few people and there is no need at all to mention all the names, many names can be mentioned, which are known today as the Bombay Club. Therefore, the next step should be taken keeping in view the views of all these people, so that the opinion of the people may be known to the country.

It is said that the GATT agreement is to be signed on the 15th of this month. It is not in favour of our country. It is sad that it has not been discussed in the manner in which it should have been. I will not go into the details of the terms and conditions of this agreement, since it has been much debated. But there are few points, which have been pointed out and which needs to be answered. Our young colleague, Shri Ramesh Chennithala has raised the point that China is very much interested to join GATT. Yes, I know that, but you are not aware of the fact that China is making progress without GATT at such a fast pace, that there is no match to it throughout the world. Why do not you

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ask, what is behind it? Time and again it is repeated in the House that foreign currency is coming to China. Like a school teacher, our hon. Finance Minister teaches us the same lesson frequently. Out of the total investment 80 percent is that of the China, the Chinese who live in America, Taiwan, Malaysia, Pingapur, Hong-Kong and Indonesia send the money. On the contrary, the big people of our country send 40-50 thousand crore rupees every year to Swiss Banks through Hawala. The Chinese are sending the earned money to build their nation. Rameshji is very much young and capable. We would like that he and other people like him should understand these things.

An incident of fire took place last week in China. Fire was opened on those who took a little bribe. Someone took bribe to give some licence, he was arrested, a case was filed against him and he was shot dead later on. Will you accept it? I am against capital punishment. But when the question of capital punishment comes up for the economic criminals, I am ready to suppress my soul to save the nation. If dishonesty is eradicated from top to bottom, I will be ready to suppress my soul. Therefore don't repeat the word China-China. First of all have a look at the happenings there. How China has made the progress, how the poverty has been eradicated there, see all these things.

Many of the hon. Members of this august House perhaps including Mr. Speaker must have gone to China. Since various delegations are sent there many people get the opportunity to go there. But I have not gone so far, not because I have been unwilling to go there

but because the Chinese are displeased with me, I will give the reason of it later on.

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): That is also well known.

[Translation]

SHRI GEORGE FERNANDES: They had told Pandit Jawahar Lal Nehru that they would not forgive India for 100 years. However, the people who visited China and those who have been doing extensive study regarding the prevailing conditions in China, have pointed out that there are no starvation deaths, nor do incidents like that of Kalahandi take place there. The foremost priority was given to eradicate poverty in that country and education was given importance only next to it. Thereafter they took stringent measure against corruption. Whoever is found indulged in it, he is punished immediately. Therefore, instead of condemning China we should evaluate the prevailing situation in our own country.

Mr. Speaker, Sir, an extensive discussion has taken place in the House on agriculture. I am surprised that it is being emphasised inside and outside the House that if tariff is removed, the Indian farmers will have reach in the international market to sell his produce and thus he would prosper.

18.21 hrs.

[SHRI TARA SINGH *in the Chair*]

I would like to identify those foodgrains which we may export to other countries in the coming years so that we

may give stress to their yield. Mr. Chairman, Sir, I have got the figures of PDS for the year 1993 which reveal that the foodgrains provided to the farmers under PDS during the last two years as compared to that from May to August, had been decreased by 50 per cent per month in the average. Does it mean that you will export the foodgrains? The fact is that the people in Kalahandi, Nagpur and Andhra Pradesh met starvation deaths. Is it justified that while people in the country are facing with starvation deaths the quota under PDS is reduced by 50 per cent and the foodgrains are exported to the other countries? Does the Government propose to implement any irrigation project to increase the production of foodgrains? I do not think that the hon. Members present in the House at the moment would favour it.

[English]

Sky is the limit. Our foodgrains will go abroad. Our farmers will export. But, export what and from where?

[Translation]

Why people are being befooled? Where will the farmers sell their produce? Does the Government know some magic to increase the production of foodgrains? Has the production of other items potato, tomato and other vegetables already increased? Things are exported only when they become surplus. Does the Government want to export foodgrains at the cost of the lives of people? I would like to ask regarding the surplus production to be exported whether the foodgrains sold in the international market at international rate would be sold in domestic market at the same rate or at

different rate? If the Indian farmer gets higher rate in the international market he would like to sell his produce at the same rate in the country too. As per GATT agreement all restrictions will be lifted and export and import will be liberalised. Then the farmers would like to sell his produce in the international market only. Because he knows that he would be getting lesser profit in the country but would get higher profit in the international market. How the Government would prevent him from doing so. There are countries which have experienced these outcomes of the policy. It is not six months since then.

Mr. Chairman, Sir, the poor unemployed young men from rural area came to the sao-polo city of Brazil and entered forcefully in the houses, they were fired at and in this incident about 100 people died. Thus the identity cards of the people of rural areas are not valid in the urban areas there. I feel that food riots are going on not only in Rajapur but everywhere. It is not proper to export the foodgrains produced in the country and meant for the people of this country for the sake of earning foreign exchange so far as agriculture is concerned. I am surprised, I would not like to go into the details. Shri Rabi Ray and Shri Indrajit Gupta have already spoken on it. Therefore I would not express my views on each point.

The other point regarding which GATT is likely to influence us is services. What will happen in services? Multinational Banks, Airlines, Travel Agencies, Newspaper, Advertising Agencies are covered under these services which will come to India. What will be the results of it? Recently about four months ago, the Deputy Governor of the Reserve Bank of India Shri Mehta

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gave an exclusive interview to *The Wall Street Journal* which was appeared on its first page. He said that the Government of India is opening doors for the foreign banks without any restriction. Then he laughed and with some seriousness he said that there would be the condition that must bring most sophisticated gadgets. Man power be replaced by machines thus paving the way for round the clock mechanical work. Would those services mean this? The agreement has not been signed so far either due to the resistance to some wise persons or without any reason. One of the hon. Members have pointed out that only those hon. Members are present here who realise the problems and others who are not present do not realise them. GATT is being implemented here very tactfully while we are having our own discussion in the House and the Trade Unions speaking their own ways. However, they do not know that economic policies are being implemented. How will the Indian companies survive in the presence of multinational companies. The hon. Members do know that the three biggest banks of the world are of Japan, each having assets of about Rs. 15 lakh crore whereas the total income of India per annum is about Rs. 5.5 lakh crore. Despite all this, the Government says that it is opening opportunities for all. If we open our doors for services, how will our own people survive? What will be the fate of our employees—it is a minor issue for discussion, but it is the biggest issue for their livelihood. We have no bank which can compete the multinational banks and what regulatory powers the Government will possess? The investigation of security scam revealed that City Bank which happens to be the biggest bank of America is at No. 27 in the world and it possesses assets of Rs. 6 lakh crore. Our

banks have been finding it difficult to compete with it. Officers at higher levels are sending their children there and are ready to do whatever they can for this purpose. On the other hand the politicians are also using their influence to settle their kith and kins in those banks. How can we compete them? Mr. Chairman, Sir, which service sector we are talking about? When we talk of service sector it means that our culture will be influenced, multinational newspapers agencies printing presses, theatres, films etc. would come here, we cannot prevent them from making publicity of their own things at television and we will be helpless in that condition. Today, every child even in rural areas is familiar with name of Michael Jackson. Recently, during my election campaign when I asked the rural youth whether they know him, all of the said that they were very much familiar of the name. The situation has reached to this extent. Mr. Chairman, Sir, But what will happen when the foreign culture will influence each and every aspect of the country? It will render our people unemployed and the banks and insurance companies would be incapable to complete at world level. What is the importance of the Life Insurance Company of India before them? When the branches of foreign companies will be opened here, our money will go outside. But, Mr. Chairman, Sir, the Life Insurance Corporation is not only for insurance purposes, it provides loans not only to industrialists and institutions but also to the poor people like hawkers, slum dwellers at subsidised rates. They provide loans to the farmers, labourers etc. who do their own work. But now on the invitation of the Deputy Governor Shri Mehta, the Finance Ministry or the Government of India, multinational banks, Insurance Companies and several other institutions are set up in India under GATT agreement, where would our people stand.

Mr. Chairman, Sir, how can we accept their conditions? They want full relaxation on trade related investment matters. i.e. they should be given free hand for investing in India. They are of the views that they should get level playing field i.e. the export condition levelled on them regarding the specification of the material which they are to purchase in India should be lifted. They want the same conditions to follow which are meant for the Indian Company owners, capitalists and traders. GATT will provide these facilities to them. What will we do now? Will be able to exist anywhere?

Among the biggest Corporations in the world, the General Motors is at number one, Ekjohn at number two and Ford Motors at number three. The total turnover of the General Motors and Ford Motors during the last year was about 232 billion American dollars which comes to about Rs. 7 lakh crore in Indian currency whereas the total income of this country including the salary of the hon. Members, all service class employees and income of farmers, labourers and all others during the last year was about Rs. 7 lakh crore. When these multinational companies come to India, no Indian company including the Premier or Birlas would be able to compete them. When Ramesh Chauhan of Parley said that he sold himself, I was not surprised. With regard to Godrej, I referred to just now, I would like to submit that when Proctor and Gamble announced to open their branch in India for the manufacture of soap and cosmetics, Godrej requested them for partnership in this regard otherwise they would be ruined. Godrej is a multinational company which manufactures the best of all soaps Cinthol and Marvel. It is a company having the capacity to give authority to the soap manufacturing companies in India to manufacture soaps

in their own brands, and that company is forced to bow before the Proctor and Gamble; what is the reason behind it? The reason is that it cannot stand before Proctor and Gamble. This company had a total turnover of about Rs. 90 thousand crore during last year whereas Godrej had that of just about Rs. 125 crore. So when a company having a heavy turnover comes to India with 100% capital to set up their unit how will Godrej exist? Therefore, they deputed Godrej as their distributor and it will get now 49% of the shares for a limited period. Here I would like to clarify that whenever Proctor and Gamble wish, GATT will send him out. Since at present they want their market in India through Godrej which have their reach even in the rural areas, they have accepted Godrej as a junior partner. As soon as they stand at their own feet they would just push Godrej out. In this manner Godrej is now at their mercy.

Tata could not survive before Uni Lever. Mr. Chairman, Sir, how much is their turnover? Last year, they had a turnover of about Rs. 1 lakh 30 thousand crore while Tata had that of about Rs. 350 crore. So when Uni Lever say that they would open their branch in India and that they would change the name of Hindustan Lever to Uni Lever, which of the Indian companies would survive before them? Tata company is 64 years old and has its popularity even in the rural areas of the country, but it will have to suffer if the foreign multinationals come here. Godrej, Parle, Tata all will be losers in that condition.

Our submission is that TRIPS and TRIMS are nothing but tricks to impress the people. These are the simple ways to open doors of the countries for which we refuse. I would not like to use the same words because they are likely to be taken

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as unparliamentary words. However, we must not ignore the outcomes of it.

Mr. Chairman, Sir, now Delhi is also facing the same problem. In South Delhi a new market named 'Nunj' has been raised with the collaboration of an American and a German company. When I was apprised of this through one of my friends, I immediately rushed there. The hon. Members talk of the companies like Coca-Cola, Pepsi Cola and Kargil, this store has been opened in South Delhi. The day I went there was Tuesday and the market was closed. There was a Sentry at the gate. He told that it was closed. I asked him to open the gate. On this, the white man said.

[English]

"It is closed today".

"I told them I knew that and I just came to have a look".

[Translation]

What is being sold there. Potatoes, onion, bananas, apples and spices are being sold there. In our country these things are being sold on footpaths by the widows to provide food to their children. The things which are being sold door to door in the Sadar area of Delhi are being sold here. There is nothing to laugh in it. The things which are being produced in the fields of our own country, are being sold by the Americans and Germans here in Delhi. Do you not feel angry? When the workers are on strike or they are

retrenched, they and their wives sell these things on the road sides to provide food to their children. Our country has come to such a pass today. This is GATT and Trade Related Investment Measures (TRIMS). This is the service given by the Government. The issue is very distressing and it is very distressing and it is not possible for us to accept this.

Mr. Chairman, Sir, Coca-Cola was driven out of this country...*(Interruptions)*. But the company has re-entered our country. It is coming to Delhi in the next week and to Chandigarh in the next month. It came to Hathras on the day of Diwali. Please tell me what is there in it. It consists of a glass of water, the water which belongs to our country and sugar and poisonous colour, which decays the teeth, worth 5 paise each. It will do a business of Rs. 1500 crores per annum with our country. If U.S.A. gets 20% of the total profit, it will get Rs. 3 billion. Is it not enough to make one angry? This is the liberalisation policy of the Government for the multinationals. Do not get tangled in the web of words. What are TRIMS, TRIPS or GATT? The country will never forgive you and it will fight for this. As the Government is in majority here, it can get it passed here, but the country will never forgive them and this will become an issue to be discussed from door to door.

[English]

Reduce it to a layman's language. Please understand that to drink our own water with our own five paise worth of sugar and five paise worth of American colour, we will be sending out of the country next year three hundred crore of rupees through Coca Cola and Pepsi Cola, give or take five or ten crore of rupees.

SHRI SOMNATH CHATTERJEE (Bolpur): Mr. Chairman, the Prime Minister should be present here. A serious discussion is going on now.

[Translation]

MR. CHAIRMAN: He is sitting here on behalf of the Prime Minister.

SHRI GEORGE FERNANDES: Now comes the issue of intellectual property rights. There are issues of patent and copy right. Here again, the Government is caught in the web of words. The issue of patent directly means that no more research and development. Every other thing is alright. Several technical illustrations can be given in this regard.

[English]

In one line, it means 'no more research and development'.

[Translation]

What will happen to our development? Will we become dependent on Americans for every product and every invention and work under their pressure? If the Government goes to sign the final draft on Dunkel Proposal, I would like to say it clearly that we will be forced to amend all our laws. Whether it is the Banking Law, the Insurance Law or the Incorporation Act, everything has to be amended...

SHRI SOMNATH CHATTERJEE: It is being said that the Parliament will look into the issue of agriculture.

SHRI GEORGE FERNANDES: Acts related with every field have to be amended. Even if a radical party comes to power here, it will not be able to change it.

If the majority sends us here to ask the Government to change this policy, it will not be then possible to do so.

When we say that we are losing our independence, it is taken as a joke, but it should be understood that once the draft on Dunkel Proposal is signed, our economy will be totally shattered. None of the political parties will find it necessary to write even a sentence about the economic policy in their manifestos, because if it is written it will be a white lie. If any of the parties, the Communist Party(M), the Communist Party or my party will write in its manifesto that it will do things for such and such Ministry, for agriculture, it is lying. You will have to go by the Dunkel Proposals. The Government has to write only one sentence, "we will honestly follow the Dunkel Proposals". And nothing will be left. This is not a joke and I am not joking.

MR. CHAIRMAN: Shri George, when you will give time to the Government to reply to the things you are saying?

SHRI GEORGE FERNANDES: Tomorrow. I will not take much time and be brief.

The Government will sign the treaty on the 15th of April. The Commerce Minister had said that they would not seek confirmation from the House again. I would like to make a demand in the House that all the hon. Members who are opposing this policy in House today should launch an agitation on this issue. We may not achieve anything from this agitation, but we can at least ask the Government to continue discussion on the treaty till it is finally signed. When the Government is bent upon making the

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country the slave of America and European nations, it will not do if we are deprived of the opportunity to express our different views in the House. As soon as the final draft is signed, a new international organisation will be set up for getting it implemented. Nothing has yet been decided in this regard, but the Americans want to hold GATT-2. If this GATT is implemented the next organisation will be named GATT-2.

[English]

SHRI A. CHARLES (Trivandrum): At the time of initiating the discussion, hon. Speaker has rightly said that we are at a very critical stage of discussion of GATT and if Members could give some positive and valuable suggestions that will certainly be fruitful in arriving at a correct conclusion. May I know whether you could give some positive suggestions instead of always speaking only on the negative side?

SHRI GEORGE FERNANDES: Yes, I will give my suggestions at the end of my speech.

SHRI SOMNATH CHATTERJEE (Bolpur): I want a small clarification because France has refused to sign. Is it a fact? If France has refused to sign, South Korea is not signing, Japan has expressed its reservations, then what is the hurry that our country must sign it at any cost?

If so many countries have decided not to sign, then why must India sign? We want to know what is Government's information on this.

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): You will know it in the Government's reply tomorrow.

SHRI SOMNATH CHATTERJEE: Is it correct or not that France has refused to sign?

SHRI KAMALUDDIN AHMED: So much of negotiations are going on. Tomorrow you will know what is the position.

[Translation]

SHRI SOMNATH CHATTERJEE: So the discussion will go on till tomorrow.

SHRI KAMALUDDIN AHMED: Yes. (Interruptions)

SHRI GEORGE FERNANDES: Mr. Chairman Sir, so USA wants to establish another organisation named GATT-2. All the nations in the European Community constitute the biggest export, import market in the world. They want to form multi-lateral trade organisation. The proposal of MTO is likely to be accepted. The draft of the M.T.O. states about the purpose of its formation and its objectives.

[English]

"With a view to achieving greater coherence in global economic policy making, the MTO shall cooperate, as appropriate, with the IMF and with the World Bank and its affiliated agencies".



[Translation]

We have understood its meaning. IMF is the final authority to decide about the loans of World Bank. To whom the World Bank should give and not to give loans. It is an institution which puts preconditions on the loans to be advanced by the World Bank. Both these Institutions are going to monitor implementations of GATT but instead of taking out the country from the debt trap it will lead to bondage as is evident from the contents of the draft. Now I would like to submit to the House my views on its implications and how it is going to jeopardise our future.

[English]

The first is surrender of sovereignty, with the Parliament of India becoming a rubber stamp.

[Translation]

Because now I.M.F. will impose its own conditions upon you. GATT will also have its own conditions. America will impose its super 301 and special 301 through GATT. We will be attacked from every corner at every step. IMF will want its money back and will say that they would not give loans, the World Bank would also start acting high-handed and say that they would not advance loans. I am not saying this to intimidate you. I am, saying it on the basis of what I know. We are going to lose our sovereignty and though we will continue to sit in this Parliament but our work will have relegated to being a rubber stamps only. The Government would show their helplessness and say what the other Congressmen, especially Shri Chidambaram has just said that there is

no way out and they are helpless. I am reminded of what happened three hundred years ago when the English entered in India, our ancestors must have thought that there was no way out but to surrender to them. They did not have faith in their people and did not have guts to face them by organising them. All those people who were rich had to save their riches. They struck deals with the English, Portugese, French and we are having the same situation here. To say that there is no way out in the slogan of only those people who want to live a life of luxury with their riches. They are so afraid.

We were surprised to listen Shri Chidambaram when he said that there is no alternative. On the one hand they are presenting a rosy picture and on the other hand they say that there is no alternative and they are helpless. They have to accept it. That's why, this draft shows their implication. The sentence, that I have read out, is not written by me, it has been taken out of the MTO draft that IMF, World Bank and all three of us are going to implement it. First of all, we would be finished.

[English]

The second point is: Takeover of our entire economy be the rich and powerful from the United States and Japan, with or without local partners.

[Translation]

Nothing will survive.

[English]

The third point is: Agriculture at the mercy of the West.

[Shri George Fernandes]

[English]

[Translation]

We would have to depend on them for seeds, pesticides, fertilizers and other things in every field. We will have to import things from 3 to 5 per cent even though we do not need them and we have enough quantity of foodgrains. But they are not bothered about them and we will have to make imports at international rates, this way our agriculture will be at their mercy. I would like to tell you about the much talked KARGIL. KARGIL is buying lands from farmers in Karnataka. It has bought hundreds of acres of land and has struck deals with farmers and now the seeds will be developed there.

SHRI SOMNATH CHATTERJEE:

Has it been brought in the name of KARGIL?

SHRI GEORGE FERNANDES:

Yes, the land has been bought in the name of KARGIL and the Government of Maharashtra has introduced a new economic policy in which they have made a provision on their own that if anybody wants to buy land from 10,000 acres to 50,000 acres for developing Orchard, then it will be provided to him. This provision has been made by the Government of Maharashtra and passed by the Assembly. (*Interruptions*). So this way agriculture will be finished. It would mean corporatisation of agriculture. You will not be able to stop it. Small farmer will become a mere agricultural labour. You ask as to where it is written in the draft but I am telling you what will happen in future under this policy and what will be the picture of the country.

The fourth point is: Enslavement of India through cross - retaliation and cross-conditionality.

[Translation]

Now, what is this cross-retaliation? The President of America can say that let coca cola enter India. If we say, no, then, they will refuse to buy our clothes. Can the officials deny what happened in Geneva recently? The negotiators there said that they had found out that 40 per cent women of India do not wear panties. Their computer provided this information but it did not tell the reason for that. It is because when they cannot afford a single saree in a year how can they afford panties.

Besides this English people have also demanded the whisky should also come in open market when the officials said that English whisky is brewed here also, they replied that if your whisky had been liked by people then their whisky would never have got smuggled in or sold from duty-free shops in such a large quantity. Now it comes openly. That's why there is big potential for our whisky in India. It is appeared in the Asian Wall Street Journal of 20th November.

[English]

The Asian Wall Street Journal magazine says under the heading: Seagram sees big potential for whisky sales India.

19.00 hrs.

[Translation]

A big statue of Mahatma Gandhi has been installed outside on the

pavement it means you have shown him his right place but we are very unhappy. I know the history of that spot where his statue has been installed and his portrait has been displayed in the Central Hall.

MR. CHAIRMAN: Everybody remembers him irrespective of the party they belong to.

[English]

SHRI GEORGE FERNANDES: Sir, I quote from the Asian Wall Street Journal. It says:

"At least four foreign brewers already have been cleared to enter the market and more are in line. Meanwhile, Seagram and three other global spirit makers—Cuinness PLC's United Distillers Unit, Grand Metropolitan PLC's International Distillers and Vintners and Allied and Lyons PLC's Hiram Walker have received permission to bring their brands into the country.

[Translation]

The conditions were imposed on the liquor manufacturers two months ago and they accepted it within a month and you invited them to brew liquor. But it is only going to be exported from cities to villages and the other way round. Cross-coordination means if you do not accept our product, then we will impose conditions on your some other product. I had felt it when I was Minister of Railways. It was in the month of October. We wanted loan from the World Bank for constructing new rail-line and for signal equipments, i.e. hard wheels, hard headed wheels and signal equipments which are not manufactured here. A loan

of Rs. 200 million dollars was sought. This loan was sought before I was appointed Minister but it was not approved. I was with our Ambassador in America Shri Abid Hussain and our Chairman Railway Board, Financial Commissioner of Railways. We went to the office of the World Bank.

[English]

The former Deputy Prime Minister of Turkey Mr. Attila Karasnomogulu was the Vice-President of the World Bank. We had a lunch on meeting with him and we were talking. He asked me: "Mr. Fernandes, why are you opposed to Pepsi coming into India?" I thought he was joking and I laughingly said: "I threw Coco Cola out. How can I allow Pepsi to come inside?" Then, he said: "Mr. Fernandes, this is no laughing matter. For us, this is the *litmus* test. If Coke and Pepsi are not going to be allowed, then we will have to take our own decisions." This is said by not an American citizen, but by a Turk who was the former Deputy Prime Minister of Turkey. These are cross-conditionalities. Then, the MTO Draft says:

"We will work where appropriate and as appropriate with the I.M.F., with the World Bank and its affiliated agencies."

[Translation]

Nothing will survive. It is a matter of conditionalities and our sovereignty is going to be attacked. Its implications will be on our politics and human rights. Whatever we want to do in future for the progress of our country will be governed by foreign money. Money play a vital role in politics. And we need not tell the House

[Shri George Fernandes]

how the rich in India want to be influential in politics. I do not want to go into that.

When America will spend such a large amount, you can well imagine about her future plan. When this money would come in India through the multi-national companies, our national politics would become a tool in the hands of the foreigners. My heart shudders to visualise the consequences. We would not want to remain alive till then, since we have experienced this. In a similar manner attempts were made to enslave the country in past also. How did it stop? Have we not before us, the history of Chile, Latin, America, Salvador, etc. ? How will the nation be saved, when, after inviting them, they are being told, that our country is awaiting their welcome. This grave danger of foreign money would finish our politics. Our global stature would be reduced to such an extent that...

[English]

We will be literally reduced to a pigmy in the eyes of the world and we will be constantly waiting for the crumbs that will fall and be at the back and call of the United States.

[Translation]

Nothing could be more shameful for us than this. Let us understand the economic consequences of this.

[English]

There will be total marginalisation of rural as well as urban poor. Social justice and social equity will be subserving profits of the multinationals and their agencies in

India and there will be complete destruction of our environment. All the polluting industries will be brought into India.

[Translation]

They are not allowed to remain in America, unlike us. There is a very strong movement against such industries.

[English]

All the polluting industries in the name of new equity will be coming to India. Secondly, they will ruthlessly exploit our natural resources.

[Translation]

Oil sector has been thrown open to them. Today there were several questions regarding the Petroleum Ministry. But there was nothing in reply to those questions. We know that the on-shore and off-shore oil fields are being handed over to domestic and foreign companies.

[English]

Though you have not entered into contract, you have short listed them. There are foreign companies which are number-one and number-two with or without Indian companies as partners. And that information has been kept away from Parliament.

[Translation]

It has happened in the last one and a half months. Remember one thing that America has the largest oil reserves after Arab countries. They are not using their oil. They are using the oil of the Arab

countries. At First, they would exploit them ruthlessly. And now India and other countries will meet the same fate. Thereafter, America would use its own oil. Therefore, we would have to remember the economic assault too, on us.

[English]

It is going to be a more violent society in India.

[Translation]

The present day violence is nothing. Today people are fighting on mandir-masjid issue or immolations are going on in the name of reservations. But, when the people would come to the streets for livelihood, under no circumstance, the country would be saved. An infighting will begin about which no body can predict what will happen thereafter.

19.09 hrs.

[MR. SPEAKER *in the Chair*]

Mr. Speaker, Sir, you have arrived, I will conclude my speech now.

[English]

MR. SPEAKER: I am not going to obstruct your speech. I have come to hear you.

[Translation]

SHRI GEROGUE FERNANDES: You have come at the right time. I am coming to those issues, which you wanted to hear. I fear to think that

[English]

we will head towards a police-cum-military regime in this country.

[Translation]

I am not willing to accept this argument. Previously, I used to say that such things can not happen in such a vast country. But in the last one-two years, several such incidents have occurred in different parts of this country. I fear, when foreign money will become predominant in India, then such games too would be played. But the last and the most important issue is the invasion on our civilisation and culture. This invasion would be so severe that the country would not survive. Pepsi Cola has announced that they are inviting Michael Jackson. Just three days back, a film producer of South, Shri Venkat Swamy had announced that he would bring Madonna. Is this civilisation? I will not speak about Madonna in the House. I will speak about her outside. What concerns is that what would happen to the culture of our country when the youths of India would be entrapped in foreign culture. Now people will spend thousands of rupees to see nude dances of foreigners. People will come here from Bombay by Chartered flights.

Mr. Speaker, Sir, we are logically giving vent to our mental agony. I am happy that you have come. In answer to your query I would like to give some suggestions. In this regard, I would read something in English:

[English]

"The aspirations of the South will not be fulfilled without a struggle,

[Shri George Fernandes]

without a difficult and prolonged struggle."

We should accept it. There is no easy way out. When the whole Western World is trying to strangulate us, it will be a prolonged and difficult struggle.

"If the developing countries are to secure changes in the world system to reflect their needs and to make it more equitable, they must seek to act from a position of strength. This can be attained only through a concerted strategy which spans national development south-south cooperation and inter-action with the North including the negotiation of multi-lateral regimes and their management.

There is no doubt that the 21st century will see the emergence of a new international system, however, this could be no more than the adaptation of the present arrangements to new requirements as perceived by the dominant nations of the world.

This process has already begun, in that the industrialised countries are defining the areas in which they wish a sea-change, identifying the changes that their interest demand".

Not that our interests demand it but their interests demand.

"and presenting them to the developing countries virtually on take it or leave it basis.

For its own sake, for the sake of humanity, the South has to be resolute in the resisting the present

moves by the dominant countries of the north to redesign the system to their own advantage.

Containing the great majority of humankind, the South must play its role in the process of fashioning a more equitable and stable system to serve the aspirations of all people.

With this as the objective, the developing countries, including India must:

1. Acquire the maximum countervailing power, through increased exploitation of the South's collective requirements.

2. Press for setting in motion a multilateral democratic process with the participation of all major interests to arrive at a global consensus on the new international system, its basic goals, how it should be managed and the institutions it requires.

"Speak with a united voice in making clear proposals, so as to play a leading role in this process. The proposals should aim at capturing the imagination of the world's people and especially of the young; they should rise above parochialism to articulate a vision of the world as one human family."

[*Translation*]

Mr. Speaker, Sir, this is not my sentence. This has been written by Shri Man Mohan Singh. It is not old. It would be written in May 1990, Mr. Speaker, Sir, I did not quote it to perturb him. I believe that some thoughts remain

valid for ever. The manner in which Gandhiji had visualised for this nation about the culture and had pondered on self-reliance and Swadeshi, these ideas are not changed even with the change of governments and changing of times. If some one says that these ideas have been changed, it is not so. Gandhiji had witnessed nuclear power, and had seen the power of the Western countries but he put his ideology before them to his way of thinking. Therefore we should not be perturbed by this. There are some other issues also which are related to it. But I will not touch them. In our Parliament there is no such procedure where any matter is kept in record after writing. Now I will tell this and I will not take much time. Taking every thing into consideration, I want to conclude, so that this country does not forget its past. Do not forget your history. If one forgets ones history, it is difficult to say where one would find himself in future. It would have been better if the minister were present, as it is related to Bengal.

[English]

Now, I would like to quote from another book titled: "Year 501 - The Conquest Continues". This has been first published in 1993. This is the re-print of 1993.

"The fate of Bengal brings out essential elements of the global conquest. Calcutta and Bangladesh are now the very symbols of misery and despair. In contrast, European warrior-merchants saw Bengal as one of the richest prizes in the world. An early English visitor describe it as "a wonderful land, whose richness and abundance neither war, pestilence, nor

oppression could destroy." (It was written by William Bolts.) "Well before, the Moroccan traveller Ibn Battuta had described Bengal as "a country of great extent, and one in which rice is extremely abundant. Indeed, I have seen no region of the earth in which provisions are so plentiful." In 1757, the same year as Plassey, Clive described the textile centre of Dacca as "extensive, populous, and rich as the city of London"; by 1840, its population had fallen from 150,000 to 30,000, Sir Charles Trevelyan testified before the Select Committee of the House of Lords, "and the jungle and malaria are fast encroaching... Dacca, the Manchester of India, has fallen from a very flourishing town to a very poor and small town." It is now the capital of Bangladesh."

This book has been written by Noam Chomsky.

[Translation]

This book was published six months back. Mr. Speaker, Sir, he has described the condition of Bengal and Calcutta, but this description is not in his words. These words belong to those who had written those words after witnessing the culture of that period. The British under 150 to 200 years of their rule have destroyed our Indian culture to such an extent as is evident before our eyes today. The government should not try to repeat it again by involving this House.

We should not commit such things as may lead to our nation towards enslavement again. I would like to warn the Government that it should avoid the recurrence of the conditions of Bengal of that British time, from being prevailed in

[Shri George Fernandes]

the entire nation in the coming days. With these words I totally oppose your proposals and conclude.

SHRI BHOGENDRA JHA: Mr. Speaker, Sir, we have reached the last stage of our discussion. You would have been informed of the news regarding the arrest and release of about two dozen MPs. About 5500 people were arrested, out of 15,000-20,000 people participating in the procession. Our single slogan was : down with Dunkel proposals and Dunkel proposals would not be accepted. The procession was not organised by any particular political party. The participants were farmers, agricultural labourers, labourers, students, youth and women who belonged to 48 different organisations. This was to give the warning that these (proposals) were not only trade and economic suggestions, that these are not confined to trade and tariff, but posed a serious threat to our independence. These proposals would imperil our livelihood. These proposals are a threat to our industries and to our all categories of people.

Those among us who jumped in the independence struggle, in our childhood, not after studying, not after becoming youth, not after getting degrees, but by shattering the dreams of our parents, are once again realizing the same crisis of slavery before our country. We are realizing a threat to our independence. I am saying this because I was surprised to hear the speeches of my friends, specially Mr. Chidambaram when he said that this is our helplessness in this matter. The Speaker did not sound as if they were speaking on behalf of 10-12 lakh people. It appears to me that we people who belong to a great and ancient civilization

and a great nation having a population of 90 crores, are of a very low stature and are not fit for representing our people. We are unable to raise our voice firmly against anything that is not in the interest of our people. So far as the matter relating to patents laws is concerned, our so called intellectuals have, in American language become intellect-sellers i.e. the persons who sell their own intelligence are called so-called intellectuals. Sir, I was also in this House when Indian Patent Law was passed. At that time it concerned the matters related to process only. Now products too have been covered under Patent Laws. This would be against our own people. It would inhibit the growth of knowledge and science. It is an attempt to put some sort of hindrances in the way of development of our knowledge. Why is this happening? Their problem is lack of market for their goods. A week ago I had tuned to BBC. It revealed that the Japanese government had appealed to its workers to work less and to spend more time on entertainment. More work means more production which may lead to a number of problems. Commenting on this appeal, the BBC had observed that the main reason for issuing such appeal is that they have no market for their products. The American President George Bush had visited Tokyo, Japan and requested the Japanese Government to provide market for American goods; but the Japanese capitalists did not agree to it. President Bush fell down unconscious at the state dinner, and in the election held after this incident, the American people defeated him badly. George Bush had tried to be more and more assertive, but he had to go out of power due to unemployment and recession.

Mr. Speaker, Sir, I do not believe that our Finance Minister does not



understand this. There is recession in France, America and Japan. And they want to thrust their recession on us.

Mr. Speaker, Sir, around 1929-30, 1930-31 when I was merely a child, perhaps some might have been remembering that an acre of land used to be auctioned for five rupees only. People like me used to send their children to schools by selling rice at one rupee a maund. By selling one and half seer of ghee at one rupee, our parents used to provide for our schooling. A similar recession is impending in India. It is not a simple recession, but it will be a stagflation i.e. inflation plus stagnation. In this process, we will be forced to produce less goods resulting in consumption of more foreign goods. Thus the foreign capitalists would make a huge amount of profit by selling their goods at high prices. I do not want to repeat anything but it is definite that a new kind of capitalism will emerge here. It will not be an old type of industrial capitalism which had purchased the English made cloth and sent it to India for its burning because this process was more beneficial to the English cloth mills. Contadora the capitalist nation will not produce goods here. It would sell foreign goods at a commission and thus this capitalist country would act as a Commission agent. Our nation is a heading towards a capitalism of that type—This GATT agreement instead of being an agreement would perform the duties of Registration Agent and it would prove to be a document.

I want to say one more thing. The general election were not contested on this grave issue. Nowhere was it mentioned in the Congress manifesto that it (Congress party) would make the nation a hostage. It is clearly written in the manifesto of the Congress Party that it

would provide jobs to the millions of people and it would reduce the price level upto the level of pre-election year. Thus, you do not have the mandate to do such things. If the Government signs the agreement on the 15th of December, which is the deadline of signing the Agreement and if the government does not change its decision, then the 15th December would be a black day for us, for the entire nation, for each and every party whosoever it may be, for every farmer, every labourer and every youth. As we have already announced it earlier, we all will observe 15th December as a black day.

Mr. Speaker, Sir through you, I would like to request the Government that it has no right to do this. The Government did not get the mandate to take the nation to this path of slavery. It is a dangerous move and the Government is unable to understand this. Manmohan Singh felt a slight discomfort when I once said this. I still believe that Mir Jafar did not made India slave deliberately. He had thought that the East India Company was merely a trading company and it would undertake only the business deals. But we all know the outcome of that permission. We remained slave for 200 years. It is our misfortune that Soviet Union is no more. Therefore, we need to be more and more cautious.

MR. SPEAKER: Mr. Jha, please stick to the motion.

SHRI BHOGENDR JHA: Sir, no doubt, it is the helplessness of the Government. But we are a nation of 900 million. If India acts with determination it is not necessary that all the G-15 nations would sign the agreement. Only four nations are willing to sign the Agreement. It is not that the countries having major

[Shri Bhogendra Jha]

population would be ready for this. France is opposing it. There is opposition in Australia for it. Japan is also opposing it. And if India too opposes this agreement it may definitely get a place in the forefront of the nations which are opposing it, in case it does not become the leader of all such nations. It is a golden opportunity for India to work for the development of its science and knowledge. It is the golden opportunity for India to become the leader of the under developed and the developing countries.

The Prime Minister is not present here at the moment. He is also a freedom fighter. I think, if he has any feelings of those days left, he should say that he would not sign the documents blindly. He should say that he will see each and every issue, each clause and will like to have a comprehensive discussion on it. He should make it specific as to what is in our interest. He should sign only on those clauses which are in our interest and which will be in our interest in the days to come. He should not sign blindly. If it is not in our interest, we should not sign it. If this does not happen, we, the people of India will have to start a second independence struggle, we will bury this GATT in it and on its funeral pyre the government would have to become 'sati'. For this, India would have to keep itself prepared; and we will observe December 15th as a black day. Keeping in view the paucity of time, with this warning and request I conclude my speech.

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Sir, you have raised a very important question. I will try to answer that.

MR. SPEAKER: Please do not take it that it is my question; it is our question.

SHRI NIRMAL KANTI CHATTERJEE: You have posed a very important question and I do believe that that question needs to be answered and in order to do that I will take off from the very powerful presentation made by my valuable friend, Shri George Fernandes. You will agree that it does look a little astonishing that in the year 1948, there was, at all, a General Agreement on Trade and Tariffs. It is somewhat astonishing that, in the year 1948, India joined that General Agreement.

What is it astonishing? It is not today; it is well known. Some people were interested in history. It is well known since 1776 when it was said that the dismal science called political economy was born in a particular book which is known as Adam Smith's "Wealth of Nation". What was the main purpose of that book? The purpose was that for the further development of England there must be free trade in the world. Only a few decades later a challenge to that theory also arose in Germany. That theory said, what is proper for England is not proper for Germany. You are perhaps aware that the gentleman of Germany I am referring to is not Carl Marx; but it was Frederick List. He said, free trade is all right for England to conquer the world, but to prevent its conquering the world what is necessary for Germany is protection in full. Since that day there is not a single instance when a relatively under developed country has proposed free trade and a relatively developed country has proposed protection. There is not a single instance excepting in certain lines of activity.

How come then that in the year 1948 the countries of the world—not all countries, let us remind ourselves; but some countries of the world—came to an

agreement despite their relative differences in development that there should be a General Agreement on Tariff and Trade? It does look astonishing. I remind hon. Members here that it is around 1948 when NATO was being born; it was around 1948 when the famous Foulton speeches of Winston Churchill was being delivered; it was around that time when the Soviet Union was able to liberate Eastern European countries also. 1948 was very close to 1949 when China was liberated from the hands of imperialism.

Let us all remind ourselves how it came through. The big powers of the world discovered to their astonishment that there is a power which has been able to beat back the front man of world imperialism, that was Hitler. Therefore they have to try to arrive at an arrangement whereby, if not through war, they can defeat this new force. They will defeat it through cold war. The International Monetary Fund that George has mentioned, the World Bank that he has mentioned, were all the product of that particular period. It was an instrument, let us try to understand this. GATT in its original form was an instrument whereby without a war the developed monopolies of the different countries can divide the world. That was the meaning of the GATT. How come that we joined it? In all humility I will remind you that there was a brief period in our post independence history, till the war in Korea, when we were less non-aligned than thereafter.

Our alignment was towards that and we were tilting towards that. Even that made us hesitant in our stand on the Korean war. It is during that period that India decided to join this instrument of cold war, this instrument of suppression

and fight against the socialist sector and also against all the countries which have been able to liberate themselves because of the victory over Hitler. So, we joined in it.

Since then, much has flown down the river. Once again there are fresh proposals to have a second GATT. Why? Sir, you have referred to China. I will try to answer it. If we do not understand this basic approach in GATT, we will not be able to answer this question that has been posed by the hon. Speaker. It is a very important question. Essentially, GATT was an instrument. Remember, everywhere free competition is always advantageous to the more powerful. Through GATT, they are trying to divide these sectors wherein the monopolists can, without hurting each other's interest, enter into a General Agreement on Trade and Tariff. If we remember this basic nature, we can understand the basic nature of the modifications of today also. Not only that; but along with that, the conflicts are originating from the discussion in the Uruguay Round. Who are fighting in the Uruguay Round? Have you heard or have you seen any report in the international Press that India is taking exception to that? We are not. What are you arguing? What are you asking? France is objecting to it; Japan is objecting to it. (*Interruptions*)

MR. SPEAKER: Nirmal Chatterjee, I am not obstructing you. Since you happen to be a person who understands this field, we would like to be enlightened on some points.

- (1) If you enter into a contract with other countries on your own without assistance of other developing countries, will you be able to enter into contract

[Mr. Speaker]

with those countries in a more beneficial manner?

- (2) Is it possible for us to have something like GATT between the southern countries of the world?
- (3) If you have a contract like that between the southern countries, will you be able to talk to the developed countries on the footing on which you would be able to talk, if you are not a member of GATT?
- (4) Now, we have moved from commodities to goods, from goods to technology and from technology to knowledge. Free flow of commodities, free flow of goods, free flow of technologies and free flow of knowledge is something which is very important for the development of economy in the world. You have the commodities; you are in a position to produce some goods; you are starting to produce technology; you are in possession of some knowledge also. How do you bring about free flow of these things?

SHRI NIRMAL KANTI CHATTERJEE: Sir, permit me to answer this at the end. (*Interruptions*)

MR. SPEAKER: I am not really obstructing you, nor am I taking anybody's position. I am just posing these questions because at this crucial moment, this Parliament and this country should

really address to the real problems which are involved.

(*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: To the best of my ability, I will try to answer. (*Interruptions*)

MR. SPEAKER: Let me also say that many of the points made by many of the hon. Members are really important points. They cannot be brushed aside. But, how do we overcome them? That is the real problem.

SHRI NIRMAL KANTI CHATTERJEE: I do feel that is a very valid question on which we have to spend a lot of time. Therefore, we should try to seek an answer to that. I will try to provide that to the best of my ability. In the meantime, let me proceed on this. I do not want to dilate on other things. He has referred to certain facts, etc. I am not going into that except to add one more fact to the book by Mr. Chomsky.

MR. SPEAKER: We are not dealing with historical facts. We are dealing with the present facts.

SHRI NIRMAL KANTI CHATTERJEE: This just adds to the colour of the debate. Therefore, I am adding it. There was a time when you did export rice. Do you know, when? There was another time. The relatively older people would remember that time. That was in 1943. Do you know what was the consequence? The consequence was the Bengal famine. This is the point that he was making that you generate a surplus and then try to export. If you are not able to generate a surplus and yet try to export, it is Bengal famine that results. Let us know that 50

lakh people had died. We were all there. We were students. We saw what happened on the streets of Calcutta.

What I was trying to bring out really was this simple point that basically if we do not comprehend GATT as an instrument of dividing the world without war, dividing the world with the underdeveloped countries included, we have missed the significance of GATT-I.

How about GATT-II? I am coming to that. Incidentally, I will also try to answer the questions posed by the Speaker. What has happened with GATT-II? The scene since then has changed. They do not have to combat the Soviet Union which no longer exists. They do not have to re-occupy the Eastern Europe. They have already occupied it. Then, there were Third World countries. And three important centres of multinationals have grown in the world. It was not there in 1948. The NAFTA, European Community and Japan, apart from China, are the advanced countries which are now trying to iron out their difficulty trying, therefore, to formulate amendments in terms of which monopolists of no countries will be disturbed, but together they can exploit the rest of the world. This is the sum and substance of the amendments which have been indicated by all the speakers not only from this side but very enlightened ones from that side also. Unless we understand this, we will not be able to formulate our approach to the GATT-II.

Now it is not America, it is not France, but it is Japan as such or their Governments which are opposing. They are certainly reflecting the dominant interests of their countries who are backing those Governments. But importantly, it is the people of France which are forcing their Government to

fight against GATT-II. Are we able to recognise the fact that while monopolists and multinationals of these different regions are trying to unite not only to occupy the rest of the world without war, but they are also demonstrating their punch against their own population.

In those lines of a particular area, if a free trade without subsidy, a free trade without any push could be accepted, it would injure the people but not the monopolists of that country and it is our good fortune, it is our duty to extend our greetings for the peasantry of France that they have understood it and are not trying to fight it back. This is the understanding of the issue which can lead us to a possible path or alternative to this GATT-II. When we battled with the British, we did not have the Government with us and yet, we earned our freedom. When you pose this question, this essential aspect is lost and therefore, the question becomes a false poser. The whole answer lies exactly not as the Government of France or the Government of Japan but as the peoples of those countries who are trying to fight against what they consider to be an attack on their interests. The failing of the leadership of this country lies precisely there. They are in the Government, they are outside the Government. The recognition in debates in GATT about the Indian objection can only come if the entire leadership of this country once again gird up their loins and say, "*no khatra*". Now, here, we will not once again subjugate ourselves to the multinationals, to the imperialists of the world. It is the continuation on the anti-imperialists struggle of the old days. Only if we take this point of view, then we can say, "Notwithstanding all the difficulties associated with bilateral negotiations, we will do that." That is the answer to the question.

[Shri Nirmal Kanti Chatterjee]

Sir, we have to distinguish two concepts. I am sorry to say that some of the fellow Member have not properly grasped it. There are two concepts in the Text—growth and development, economy and growth. Economy can grow if we agree and sign the GATT document without any development at all. We knew about IMF conditions in Brazil and what happened there. The entire country was lingering in poverty, a wonderful island of prosperity in the capital town of Brazil. What do we want? Is it growth of any kind? As he has correctly drawn the line, if we become shopkeepers society, there will be growth. You were referring to free flow of technology, free flow of industry, free flow of goods and services.

MR. SPEAKER: That is the reason why GATT is created.

SHRI NIRMAL KANTI CHATTERJEE: You have referred to it and that is what they say as its meaning but you have to add these general qualifications, which I have just mentioned, to this agreement. That is precisely what they try to underline. It is not for me to answer it. About 200 years ago, as I referred, it was Adam Smith who had answered it that free trade and external trade is as much an economic event as it is a political one. It is not China which has excluded itself. Let us also remember that. They will not allow China to enter also because it is against them. Unless the GATT Agreement is so modified wherein Chinese interests can be attacked, China will not be admitted.

Today China says that it is prepared to join GATT for a simple reason. In the course of all these years, it has acquired that kind of strength along with its people. Even while inviting foreign capital, it controls the foreign investors. If you go

through the literature on China, you will find it. I have told Dr. Manmohan Singh also to see how they are handling their foreign capital. It is not only due to the fact that the non-resident Chinese are sending in foreign capital; but it is also due to their emphasis on public sector, their emphasis on centralized power of the State, their emphasis on controlling or limiting foreign capital within the country and so on. As you know, GATT does not permit all these things. In your country, you do not have that sort of a say. When we say that we will not sign the agreement, it is because of its enslaving nature. As has been pointed out and the underlined, we do not stop there! Only and if only we are prepared to rouse the entire people of our country against GATT, only and if only we are prepared to mobilise the entire South, we can fight these enslaving measures. Those who have gone to China realise it. China has said that it would agree to certain things because, it is isolated. But you do not do that. There is a feeling in the underdeveloped countries of the world that Bapuji led us from South Africa. Let us take pride in the fact that India was considered a beacon light by the colonial countries. We have to recapture that. If we launch this struggle within the country, we will be able to recapture that lost glory. I say this because even the people of the advanced countries who are trying to negotiate the Second GATT are opposed to GATT. Therefore Sir, I try to give the answer to this part of the aspect. The task is not to debate whether to sign today or later. The task is to indicate that you are opposed to everything that is enslaving. And from this Parliament, we give a call to all the people of the underdeveloped countries of the world and to the countries of the South to raise along with us. The only condition is that we will respond favourably if only we are in a position to decide for ourselves on matters national.

That is the message that we give. I believe that that is the answer to your question also.

MR. SPEAKER: I think all the Members who wanted to speak on the topic have already spoken.

SHRI INDRAJIT GUPTA  
(Midnapore): Will the reply be tomorrow?

MR. SPEAKER: Yes, Tomorrow, immediately after the formal business is over, the Minister will give the reply.

SHRI RAMESH CHENNITHALA  
(Kottayam): Sir, I would like to participate in the debate.

SHRI GEORGE FERNANDES:  
Speak in Hindi, Ramesh.

MR. SPEAKER: Your Hindi is musical:

SHRI RAMESH CHENNITHALA: I don't know certain technical words. Today, I will speak in English only.

Mr. Speaker Sir, this House is witnessing very enlightened speeches for the last three days on the Dunkel Draft. Sir, a fear psychosis is unnecessarily being created by some quarters. Of course, I agree these are certain problems regarding the Dunkel Draft. But, there is a silver line also. I am not blaming my Communist friends because they have a close mind and they cannot think beyond a certain point.

What is GATT? GATT was formed in 1947. India is its founding member. I would like to answer the question which you raised, that is, whether India can

come out of GATT. My answer is 'No', because our world today is interdependent. Each country has to depend on other country. We cannot live in isolation just like Burma. History tells us that certain countries which lived in isolation in the past, how their economic prosperity was adversely affected. I was very carefully listening to the speech of our senior hon. Member, Shri George Fernandes. His speech was a repetition of the discussion on the new Economic Policy. Mere speeches will not help. The world is changing fast. The multilateral trade system is accepted by almost all the countries. We will have to see whether it will be suitable for India too or not.

I respect the old ideologies and their propagators. We have to see how can we make bilateral agreements with other countries of the world. I find somewhere in a review it was mentioned that if we do not sign the Dunkel Draft then we will have to enter into thousands of bilateral agreements for each and everything. I think that a country like India, which is developing very fast, cannot afford this. If a country like Indonesia does not sign the Dunkel Draft she may have to sign 4500 bilateral agreements.

For our country's economic prosperity it is essential that our trade should increase. Our trade can increase if our export gets a boost. India is concentrating on the export. Fact is that the trends are very encouraging. Those third world countries which are not the members of GATT—of course China is the exception because of its different social, political and economic situation—their rate of growth is less than India. Previously, China was also interested to become the member of GATT. About 107 countries are the members of GATT and decisions are taken on the basis of

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negotiations. It is true that some developing countries as well as some underdeveloped countries do not agree with the certain parts of Dunkel proposals but still negotiations are going on. I would like to say that walking out of GATT is suicidal for India. We have to see our national interest also.

**20.00 hrs.**

Our national interest must be the prime criteria which should be taken into consideration. But, simply saying that Dunkel Draft is a ghost is not good. I do not agree with that view.

Our senior hon. Members are sitting here. I appeal to them that they should open their eyes and their minds and try to understand what is happening in the world and India cannot remain a silent spectator. In this regard, GATT is taking decisions on the basis of consensus. There may be general agreements on certain areas and there may be, of course, differences. France and America have differences. Some hon. Members, here, have expressed that in the agricultural sector, the reduction of subsidies had created a big problem in France and the people of France were agitating. But, the situation in France is totally different than the situation which is prevailing in India. They have the agrarian society. So, if the developed countries reduce the subsidies, it will definitely help developing countries. So, if the developing countries can produce more, they can also export more. But, people were laughing at it because they had not seen the future of the country. Of course, there is a competition in the World today. It is the feeling everywhere. So, if India wants to stand on its own legs, there is no

other way round, except to pump its produce in the world market. Then only we will be able to survive.

Therefore, I appeal to my hon. Communist friends to support this proposal. I have every regards for them. They have contributed a lot for this country. They should also realise the new trend in the world. What is happening to communism? I do not want to enter into a political discussion.

Now, you see China and other countries. They are adopting a different line. Here, Mr. Chatterjee was mentioning about agitation in France. He was thanking the French leaders who were taking part in that agitation.

What is the percentage of subsidy today? We are not exceeding our limits as far as Dunkel Drafts concerned. We have put together all the subsidies and we are giving to the farming community. You are saying that France had done something and so on but you must also understand that their subsidy is 20 times more than that of India. It will affect them politically and economically in future. So, they will fight. Why should we follow them? You please think whether the reduction of subsidies will help India or not. If it is going to help, then only we must stick to them.

Sir, the negotiations are going on among the member-countries. We must see whether our national interest is protected or not. That must be our prime criteria as far as the discussions are concerned. We must see to it that we do not get out of the GATT. If we do so, it will adversely affect our national interest. In the future also, our trade relations with other countries will definitely get affected.



We are talking about other developing countries. Do you know how many developing countries had signed this Draft? Do you know what is the opinion of the developing countries? Some of these countries have already changed their line of thinking and some countries have already accepted it. So, there is no unanimity because every country wants to protect its own interest every country wants to promote its own interest and every country wants to have a set of rules which cannot be violated or flouted by the big and economically strong nations of the world.

Already discussions are going on regarding Super-301 etc. If there is an agreement regarding the set of rules to be followed and if these set of rules are brought forward for a consensus, at that time, some countries may say that those rules will only help those very countries' national interest.

Some people are blaming that the Government of India is not doing anything. I am not an advocate of the Government of India. I will make my own points. They are saying that the Government of India is not uniting the other developing countries to fight against the American imperialism. Of course, we have to fight against the attitude of the US Administration in certain things. The point is that every developing country has its own interest. So they will not be in a position to inform them on all issues. For example, in service matter, it will be helpful for India because India is one of the largest populated countries in the world. Our man power potential is enormous. So, we can give more employment to our people in tele-communications, engineering, computer and other industries. *(Interruptions)* The point is that you are keeping your mind shut. You are always thinking about

old communists ideals and that type of society which has crumbled in the world. Nobody is going to accept your theory. Every now and then you are criticising. You do not want to open your mind; you do not want to see the world. In service sector—honestly, I am telling you—in India, we are suffering because of the unemployment problem. Our educated youth are seeking employment but they are not getting it. Our educated youth are here in different fields. They cannot go to other countries. So, one of the prime necessities is to change the Immigration Laws; they are creating hindrances for our educated youth to go abroad. That is another issue. I do not want to touch that. In service sector, definitely, India will be the beneficiary; India will get more benefit out of this. In agriculture sector, the interest of the farmers should be protected. There are apprehensions regarding the patent of seeds. I request the hon. Minister to clear that because if I am a farmer and I am producing paddy or wheat, if I exchange it for another variety of paddy or wheat, than what will happen?

Barter system is there. The exchange of seeds system is there. I do not know how DDT will be affected in the barter system. So, he has to clarify about the patent of seeds and exchange of seeds. At times, there are certain doubts in the minds of our agriculturists. I think the hon. Minister will clear that apprehension in his reply.

As I mentioned earlier, India is coming in the international market as a prime competitor. We can compete with a lot of countries. So, multilateral trade system will definitely help us. What is the profile of our international trade? Seventy per cent of our exports go to United States and nearly 30 per cent of our exports go to the European countries; nearly eight to ten per cent of our exports

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go to Japan. If you take the industries of these three major countries, United States and Japan will account for nearly 50 to 60 per cent of our external trade and the rest 40 per cent is distributed among the other countries. What would happen if we are going to negotiate with them separately? How many bilateral agreements have to sign? So, in the larger interest of the country, for the better trade relations with other countries, at present, multilateral trade system will benefit our country.

As was mentioned by other colleagues, in the agricultural sector, definitely, if we concentrate, it will help us. But we are always thinking that we are a weak country.

Our people are not saying that we are capable to compete in different fields in the world market. Of course, there are problems. Why should we think like that? We are always pessimistic. We are not thinking of our economic strength. India is gaining economic strength but all the way the country is facing multifarious problems. But we have our own strength. Our nation has got the strength to compete with others in world markets. There are areas where we can compete. I do not want to mention them. Everybody knows. In certain areas India can compete with other developed countries. So, if we develop like this we will have surpluses, of course, we have deficits in some areas but the gap in between can be reduced. In fact, the major problem is that we have to achieve a quantum jump from 15 to 20 per cent per annum of our export. If we concentrate and stick to that aim, if we liberalise certain controls to remove the bottlenecks, our exports can be improved, from 15 to 20 per cent, which we want to achieve at least in the

Eighth Five Year Plan period. Our target in the Eighth Plan period is that.

One of the major markets is the United States because we can export at least 17 to 18 per cent of our exports to that market. We can safely increase our exports to the foreign market. Even other than the United States we will be able to find markets in other countries and sell our goods. We can be able to innovate new avenues of trade so that our country can be benefited out of that.

Therefore, it is in our interest to remain with the multilateral trading system. In the long run, definitely it is going to help our country. Remaining in the GATT will definitely help us. Of course, there are certain problems. I do not want to go into all those details because we are running short of time. I actually wanted to come to the TRIMS, TRIPS and other areas also.

The actual point is that there are certain apprehensions in the minds of our people. Of course, India is present at the negotiating table. We are sticking to certain issues which are being raised. Shri Nirmal Kanti Chatterjee is mentioning that the French people are agitating while India is not agitating. That is not the point. The point is whether it is beneficial to our country or not. Of course, I know that our pharmaceutical industry has got some problems. There is an apprehension that the prices of some life-saving medicines which are manufactured in the country will go up. There is a general apprehension in the minds of the people. I hope that the hon. Minister will clear this.

Regarding process pattern and product pattern also there are some apprehensions. One thing is there regarding this process pattern and

product pattern, which I want to mention. For how many years should we wait, to give a chance to somebody to invent a molecule, import that, make the product, and then imitate it or make a copy of it? For how many years will it go like that? In the field of science and technology India is far ahead. Our Indian scientists are very brilliant compared to many other scientists in the world. Of course, we have definite problems. The economic situation is not permitting us to invest more funds in the R&D. Our endeavour should be to invest more in the industry so that we can invade the markets, we can have our own goods which we are able to sell in the foreign market competing with the best quality goods available in the world markets.

I am proud of our local domestic pharmaceutical industry. They are doing very well. Of course, they are exporting medicines worth crores and crores of rupees which are earning enormous foreign exchange for our country. We have to protect the domestic pharmaceutical industry. At the same time, we have to check copying which has become a regular feature in the world. When somebody is investing crores and crores of rupees, for inventing molecules and producing a new product, somebody else is copying the original one and the person who creates or produces the product is not getting anything. That is injustice also.

We have to protect the local pharmaceutical industry. We have to see that by adopting the DDT, the prospects of the local pharmaceutical industry is not hampered and its interests should be protected.

Of course, we have to change our patent laws. Overhauling in our patent

laws is needed. If we adopt DDT, then our patent laws should be overhauled in tune with the DDT.

There are four areas in the DDT, which are different from our patent laws. The first one is that our patent law today provides only process patent in the area of food, pharmaceuticals and chemicals, whereas the Dunkel Text requires product patent in all the branches of technology. The second difference is that our patent law today gives duration of only seven years for food, pharmaceuticals and chemicals and 14 years for all other branches of technology. The DDT requires twenty years of patent life for branches of technology. The third one is that our patent law gives automatic compulsory licence in the area of food and pharmaceuticals. In these two areas, every patent issued is rubber stamped.

There are four areas in the DDT which are radically different from our existing patent laws. If we are signing the DDT, then overhauling in our patent laws is necessary. In that regard, we have to see that the prospects of our domestic pharmaceutical industry is not hampered.

Article 31, on page 71, of the DDT deals with a compulsory licence and first sub-clause says "authorisation of such... shall be considered on individual merits." In other words, under the Dunkel Text, a compulsory licence can be given on an individual merit of a case. But the patent holder as well as the person applying for a compulsory licence must both be heard before the licence is given by the Controller General of Patents of India. The domestic industrialists, who are engaged in pharmaceuticals, have got certain apprehensions. They are saying that they are going to be in a very big soup and their interests will be

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jeopardised. So, in the area of process patent, the Government should take ample care so that our local and domestic industries can survive.

One other apprehension, which I also have in mind, is regarding the burden of proof. In the DDT, it is not clearly mentioned. There are two or three versions regarding the burden of proof. One version is that it is going to affect our local industrialists and the legal luminaries are saying that it is not at all feasible and it is very difficult to prove. There are certain apprehensions in the minds of the local industrialists also. So, we have to take care of these things also.

About R&D, as I have said earlier, certain points were raised by the pharmaceutical industry. Of course, in the Departmental Committees of Commerce, we happened to meet them and hear them. They had expressed their anguish and clearly mentioned their real problems. There are certain areas, which the Government should argue. One such area is R&D, about which I have mentioned earlier. Otherwise, we cannot go forward. Japan is also spending on R&D. USA is also spending on R&D. Switzerland is also spending on R&D. Every country, which wants to develop on their own, is spending crores of rupees on R&D.

They have money so they can invest. It is true that when the product pattern is given the holder of that patent has a monopoly over the product and the product patent does not prohibit other people from manufacturing the same product. My apprehension is that I am looking on the general perception. In a general perception definitely India should be in the GATT. India should maintain its

dignity and India should argue and our prime national interest should be in our mind. But there are certain areas where Government should make more efforts so that in a negotiation India should get the fullest benefit. I do not want to go into a lot of details. I do not want to elaborate it because it is a vast subject. There are views from different corners. A lot of interested parties are there in our country. I do not want to go into the details. Some people are saying that this is anti-socialist. This is totally surrender to the US Administration. I would not agree with that because I am not an agent of America. Fact is a fact. You have to understand that there are certain grey areas. There are silver lines in the Dunkel proposals where India cannot walk out of this. But, our Government should take necessary steps so that we get maximum benefit out of the negotiation. I am proud that India is doing well. In the GATT our efforts are well and we are able to interact with others more effectively and efficiently.

One aspect is also taken care of. There is one police man in the world. Because of the crumbling of the Soviet Union, the hard reality is that America is only the police man which is controlling the world economy through their 301 and through other repressive measures. They are dumping their goods in the underdeveloped and developing countries. There are apprehensions like that. I am sharing that apprehension. But, by and large, whether this Dunkel draft has to be sent to the dustbin or not, that is the question. I will answer that. It should not be sent to the dustbin. India should negotiate, bargain by keeping our national interests in our mind and try to take the maximum benefit out of the next round of negotiations.

[Translation]

SHRI ASHOK ANANDRAO DESHMUKH (Parbhani): Mr. Speaker, Sir, discussion on Dunkel proposal is going on in the House and outside the House for the last three days. Some are of the opinion that these proposals are harmful for our country and some opine that these proposals are good. The harmful aspects can be removed through negotiations. The Dunkel proposals do not force anyone to accept them as they are.

The most important issue is that ours is an agriculture based country. 75% population of our country depends on agriculture. The subsidy limit has been fixed at 10 per cent only. As the growth rate of our population is 2.2 per cent so our agriculture production rate should accordingly be 2.5 per cent. We will not be able to compete in the international market, if the subsidy rate from 10 per cent be decreased by 5 per cent. Much more subsidy is being given in USA and in European countries. In comparison to that the percentage of subsidy provided in our country is nil. We can only compete, if the subsidy provided in those countries be decreased.

I had a formal discussion with Shri Pranab Mukherjee about the P.D.S. We will not be able to keep buffer-stock. The Government should see that it does not have an adverse effect on the P.D.S. Even then, we have to import 3 per cent of our total requirement of foodgrains. While negotiating, if we gain something, we have to also give something. Under the P.D.S. system, we have 117 countries, with which we have arrangements to give or take foodgrains at any time. So, it will not be proper, if we

leave aside all the 117 countries just for 3 per cent of foodgrains. Their demand not to keep the buffer-stock is okay, but in the case of immediate shortage or excess, we should be allowed to take or give from one another. When so many countries are working unitedly, we will certainly help each other.

The quota for textiles should be increased. Some items such as silk and jute have been included there in, but Kashmiri shawls and some other items have not been covered. I have read the report of the Committee on Commerce which has taken up the issues very wisely. That report should be reviewed in detail and some other items such as Kashmiri shawls etc. should be included in it, so that our textile industry can be saved from the adverse effects, because MFA will be closed within 10 years and so, while negotiating, the issue of increasing the quota should be kept in mind.

The second most important issue for us is the issue of patent. We do not take all the seeds from the group of States but have some original seeds also. Will we be able to sow them or not? Our country spends only 2 per cent on research, whereas other countries spend near about 12 per cent on research and their patents are at present ready. We have neem and some other natural plants, which grow in our country, but I have a list of 13 patents on neem prepared by USA. If this patent law will be implemented, we will have to pay royalty to USA on these patents. So, it is necessary to enact a law in this regard. This is the most important thing. I would like to give one or two examples of patents. Neem tree originally belongs to our country, but the patents on it were prepared by USA... (*Interruptions*)...

[English]

MR. SPEAKER: You please decide whether you are being guided or misguided.

[Translation]

SHRI ASHOK ANANDRAO DESHMUKH: 13 patents on neem such as US patent nos. 4515785, 453774 and 4556562 had already been prepared. There are several other such plants to which attention should be paid. It is necessary to establish a gene-bank in this regard. Our natural plants are the property of our country. If we do not establish a gene-bank, all our industries dependent on agriculture will collapse. Although, there is the suigeneris system, but it will be better if crops and birds and cattle are excluded from the GATT. If they are not excluded, it will be harmful for us. We should atleast accept UPOV 1978 and while negotiating, we should keep in mind that there is no need to accept UPOV 1991. Through UPOV 1978, we can maintain our farms right as well as breeders right. So, I would request you to be firm on UPOV 1978. Several of the clauses in it are beneficial. The most important benefit is that we will be able to set up trade relations with several countries through this proposal. This work will be done on a large scale, so it is certainly difficult, but it will provide trade benefits to 117 countries at the same time. The linking of 117 countries through trade relations is a great achievement in itself. Our contribution to the international trade is very small. Our participation should be increased and for that purpose we have to raise our participation from 5 per cent to 10 per cent, then only we should be able to strengthen our economy and our country, which is a developing country, can get the right to sit with the

developed nations for discussion on principles. The second benefit from this proposal is that if the country will face foodgrains shortage at any time, the Government can easily arrange for foodgrains as we will be directly linked with several countries. All will be certainly benefited from these trade relations between several countries and the information on world market situation will be easily available. So, we will be able to export our goods and agricultural produce during the time of profit and do not have to pay levies. We will be able to export some items such as Jwar etc., which are today lying in our godowns and the revenue earned from the exports will go to the farmers. So, there are such benefits also... (Interruptions) ... If possible, please exclude crops and birds and cattle from GATT.

With these words, I conclude.

[English]

MR. SPEAKER: I think, tomorrow immediately after the question hour or just after a few minutes time, we may take up the reply. Mr. Minister, how much time would you require for the reply?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Sir, I need about 45 minutes' time for the reply.

SHRI GEORGE FERNANDES: In 45 minutes' time we will be pinning you down.

SHRI PRANAB MUKHERJEE: That depends. I need 45 minutes' for the reply.

MR. SPEAKER: Tomorrow is Friday. We must remember this. We may

take up the reply after question hour or if there is some business after it.

The House stands adjourned to re-assemble tomorrow on Friday the 10th December, 1993 at 11.00 a.m.

**20.33 hrs.**

*The Lok Sabha then adjourned till eleven of the clock on Friday, December 10, 1993/Agrahayana 19, 1915 (Saka)*