

[Sh. Ghulam Nabi Azad]

The motion was adopted

16.25 hrs.

MOTION RE IMPLICATIONS OF THE
DUNKEL DRAFT TEXT ON TRADE
NEGOTIATIONS

[English]

MR. SPEAKER: Now we shall take up item No. 35 regarding implications of the Dunkel draft text.

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (PROF. P.J. KURIEN): Sir, I beg to move:

" That this House do consider the implications of the Dunkel draft text on trade negotiations with special reference to its effect on India's interests."

MR. SPEAKER: Motion moved:

" That this House do consider the implications of the Dunkel draft text on trade negotiations with special reference to its effect on India's interests".

SHRI CHITTA BASU (Barasat): Sir, I rise to urge the Government to reject the Dunkel draft text and naturally I shall here to put across certain grounds for my request to the Government.

This Dunkel proposal has got four specific aspects and one is connected with another. There is a linkage among all the aspects of the proposals. It has got an aspect which we

call TRIPS- Trade Related Intellectual Property Rights. It has got another aspect which is called TRIMS- Trade Related Investment Measures. It has got another aspect which we call GATS- General Agreement on Trade and Services. The fourth aspect is Multilateral Trade Organisations. These are all separate entities, separate treaties.

Before the current Uruguay Round of discussion, the TRIPS, the TRIMS and other aspects were not within the purview of the General Agreement on Trade and Tarrif discussion. They were kept outside the purview of this. As a matter of fact, if we accept this proposal as it is, it will be a single undertaking and the entire package has to be ratified either on the basis of take it or leave it. As I have already mentioned, there is a clear linkage between these four aspects. We should delete the linkage between these different treaties with the rights of rejecting or accepting these treaties for safeguarding our national interests. I do not know whether the Government of India has emphasised upon this aspect and if so, what has been the reaction or response of the other countries.

The next is a self-executing treaty and as such, all our laws and policies will have to be reformed in accordance with provisions of the text. Therefore, I think it is not in the national interest of our country.

If we accept the TRIPS, we should know what would be the damage to our economy. The Dunkel Text in relation to TRIPS is totally against all the major elements of the Indian patent regime It places tremendous hindrances to our domestic enterprises, research and development efforts etc. It would result in the price increase of medicines, pesticides beyond the capacity of the common man.

If we accept the TRIPS proposal. then we would lead to the full dependence upon the imports of these items. This will ultimately

[Sh. Chitta Basu]

lead to the strengthening of the grip of the multi-national corporations. As a matter of fact, this will damage our nationally accepted objective of self-reliant economy. Therefore, this will be injurious to the interests of the nation.

If we discuss the proposals in the area of TRIM, you will find that these proposals will be equally dangerous, equally injuries and equally harmful to the cause of the nation and our economy will be subservient to the economy of other countries. In areas of trade related investment measures, if we accept the proposals, foreign investors will have total freedom of operation in the domestic market.. It would also seriously impede our efforts at achieving self-reliance and further accentuate our balance of payment problem. The transfer of technology would be highly curtailed. This proposal will facilitate all-out market proposals, if we accept, will oblige us to treat the foreign companies at par with indigenous companies.

Therefore, if all these proposals are accepted, these proposals are not in the interest of the nation. They will be injurious, harmful and shall lead us to an economy which will be disastrous for the country's economic independence. If the economic independence is endangered, political independence cannot also remain the same. Therefore, in the nation's interest, I oppose all the proposals relating to TRIM.

Let us take GATS - General Agreement on Trade Services. This relates to services. In the services sector, the Dunkel Text propose to open up new avenues in trade through service corporations in banking, in the insurance, in telecommunications, in travel and in transport etc. These are the areas where we can plan our economy keeping in view the needs of the people. These are the areas for which we have

already made plans. We have got our planned economy. We have in certain cases, accepted the principle of subsidy in the transport.

I have forgotten one thing. I wanted to mention earlier that if we accept the proposals in the case of agriculture- I shall come to it later on, there will be adverse impacts.

If we accept this GATS this will open us, as I have said earlier, new avenues for the trade through services. This will again be injurious and harmful to the cause of India's interests. It will also go counter to the interests of the planned economy. It will go against our banking interests. It will go against our insurance interests. It will go against our goal of attainment of self-sufficiency in all these essential services which are now under plan. Sir, it would distort naturally our developmental priorities for the weaker sections of the society.

Sir, I would also like to mention that this proposal would also lead to the domination of the service sector by the commercial considerations and it will ultimately lead to the control over the vital service sector like the financial services, telecommunications, media and all other aspects.

Sir, I will be failing in my duty if I do not mention about the adverse impact on the agriculture of our country. In the agricultural sector, if we accept this proposal, our Government will be forced to abolish the existing subsidies for inputs like water, power, fertilisers or pesticides, and credit will be severely curtailed.

Sir, our agriculture is dependent heavily on these subsidies. Therefore, Sir, you know, it is not necessary for me to explain how our agricultural economy would suffer if the subsidy on irrigation, if the subsidy in the supply of power if the subsidy on fertilisers and if the subsidy on other essential inputs is withdrawn. If we accept this proposal, we

shall be forced to withdraw the subsidy. It will also affect the price level of our agricultural produce. Now the Government will have to take recourse to postpone the purchase by the public sector agencies. There will not be support price, there will not be subsidy and there will not be any kind of subsidy for the public distribution system which ultimately helps the weaker sections of our society.

Sir, if the patent system is extended to seeds, plants and biogenetic substances, that will also cause tremendous harm to our national economy particularly the agricultural economy. Having regard to these things, let me sum up and conclude.

Sir, having regard to all these aspects, this proposal will militate against the national interest, this proposal will result in the curbing of the economic sovereignty of the country, this proposal will blatantly interfere with the micro and macro economic decision-making of our country, this will frustrate the pursuit of our own developmental priority and, Sir, this will disastrously expose the Indian economy to the arm-twisting of the foreign countries which are more powerful than us. Therefore, Sir, I demand that the Government must reject all these harmful proposals and thereby uphold the Indian economy, uphold the principle of self-reliant economy for the country and thereby ensure the economic independence and ultimately the political independence of the country.

[*Translation*]

SHRI ATAL BIHARI VAJPAYEE:
(Lucknow): Mr. Speaker, Sir, the present session of Parliament is coming to an end today. A few hours have been allotted for the discussion on this important issue. The issue has been pending for the last one year. There is no cabinet Minister of Commerce in the Council of Ministers, there is only a Minister of State in the Ministry of Commerce. This proposal is the talk of the world today.

A paper for discussion was also issued by the Government. I have seen it, that is not sufficient. What was actually required on the part of the Government was to publish a white Paper and the Parliament should have been provided with an opportunity to hold discussion. Later on, a committee of Ministers was constituted. It was in a sense, an effort to put aside the Parliament from the scene. I ask, what was the achievement of that committee of Ministers. A discussion is going on GATT and 'Uruguay Round' throughout the world. The Government has changed in America. President Clinton is making a strategy in connivance with Prime Minister Major. France has, however, expressed its dissent but we need to consider the proposal in the backdrop of the situation of our own country as also from the point of views of our own interests. The proposal is comprehensive enough including all the affairs of life. It includes the areas of medicine, cotton cloth, agriculture, industry, services, investment, technology, employment, environment, and culture etc. and along with all these the trade of India is also included in the list. The 'Dunkel Draft text' is such a document that either it will have to be accepted fully or will have to be rejected fully. If there is something good in it and if we want that part to be accepted, then there is no permission for that.

With regard to Tokyo there was some relaxation. Had we wished, we could have made selection keeping our interests in view. But, now the door for that is closed. The most objectionable thing is that the 'Dunkel Proposal' is adversely affecting the 'Indian patent Law' which has been giving permission to us for manufacturing medicine and we have made tremendous advancements in that field. The Dunkel proposal creates difficulty. There is no solution to the problem of the likely increase in the favour of liberalisation within the country. Unnecessary control is there and the bureaucracy is creating obstacles. There are not as much

[Sh. Atal Bihari Vajpayee]

opportunities for competitiveness as are required because the industrialist of India does not want to compete. The foreign companies want a safe market. They have developed in a habit of earning undue profit. But there must be a competition in the market. However, India has to think over its interests before involving itself in the competition with the foreign companies.

Mr. Speaker, Sir, it would have been better if a Joint Parliamentary Committee would have been constituted and this Dunkel Proposal should have been referred to it. I am not an expert. We should have sought the opinion of experts if necessary. If there was a need we should have asked for the required material from abroad; and some people could have gone abroad all procedure. Still there is time, I would like to request the hon. Minister to constitute a Joint Parliamentary Committee in this regard. It is not a case of embezzlement. The Joint Parliamentary Committee may continue to do its work. It has relation with that.

SHRI RAM NAIK (Bombay North): We are doing excellent work.

SHRI ATAL BIHARI VAJPAYEE: I would like to congratulate you. As soon as you make somebody a scapegoat, they will realise the position.... (Interruptions) A Joint Parliamentary Committee can be constituted and this matter can be referred to it. In this matter, the State Governments should also be consulted. It is correct that you have dismissed out State Governments. Even though I am speaking to protect the rights of those States Governments which have not yet been dismissed. That is why I repeat that the State Governments should also be consulted in this regard. My colleagues of West Bengal should congratulate me that I do not indulge myself in such type of politics as they are doing.

SHRI SOMNATH CHATTERJEE (Bolpur): You have no Government but your opinion is still there.

SHRI ATAL BIHARI VAJPAYEE: Our opinion will always be the same. When we will form the Government at the Centre, we will say good bye to the Dunkel Proposal.

MR. SPEAKER: Sir, my suggestion is that the meeting of the National Development Council may be convened for discussing the Dunkel Proposal.

SHRI SOMNATH CHATTERJEE: Sometimes you speak very well.

SHRI ATAL BIHARI VAJPAYEE: The Government should make up its mind first. The resolution moved by the Government does not show the clearcut picture of the Government's views as well as the thinking of the Government. The Ministers have also not taken any clearcut decision in this regard and they should not do so. If we accept the Dunkel Proposal as it is, the Government will have to bring comprehensive changes in national activities which may have far reaching consequences these cannot be changed without the consent of Parliament. But the Government should at least place the material before Parliament. Therefore all repeat my two proposals. Firstly the Joint Parliamentary Committee should be constituted and the Dunkel proposal may be referred to it and secondly, a meeting of the National Development Council may be convened. Alongwith this, the Government should hold negotiations with other countries too. If a big country like India does not espouse the cause and interests of developing countries then who also will speak? But I have read the paper prepared by the Government, which says that if any big country seeks an amendment, then our Government would also avail the opportunity for pressing for an

[Sh. Atal Bihari Vajpayee]

amendment. Such language does not befit the dignity and the prestige of India. I admit that we are facing financial problems and these problems have also been created by the Congress Government. But I am not making it a party issue and this juncture. If we too cannot take a stand on the objectionable aspects of the Dunkel Proposal, how will other developing countries face it. The Government should hold consultations negotiations with them and should explain the difficulties which are being faced by it. If there is some difficulty in European countries about agriculture even then America is not ready to provide us a safe market there. It has also introduced a quota system. It is under Japanese economic pressure. These countries do not hesitate in taking steps to protect their interests. We should also not hesitate to do so. We should hold negotiations with developing countries and evolve a proposal which would not only safeguard the interest of our country but also boost our image in the international arena.

I reiterate that the issue of medicines is a complicated matter. The pharmaceuticals would be the worst affected and if the prices of medicines rise, the people will never spare the Government.

SHRI SOMNATH CHATTERJEE: A special session should be held for the purpose.

SHRI RABI RAY (Kendrapada): Mr. Speaker, Sir, today, a turn is being witnessed in the history of Parliament. I am glad to say that 250 M.Ps after cutting across the party lines, have written to the Prime Minister that he should not sign on the proposal without getting it approved from the Parliament which is the representative body of 85 crores of people; After a number of postponements, we have got the opportunity to have a discussion on this important issue.

Mr. Speaker, Sir, I am one of those who

believe that the East India Company which was a multinational Company had come to India as a traders about 250 years back. The history is evident as to how the company grasped the political power in India and ruled over us for 180 years. A book consisting of 465 pages on Dunkel proposal has been received by us. I guess that Shri Kurien might not have read it. No M.P. can have the courage to say that he has read this book. He is unable even to understand this book. We have come to know that 400 experts of the U.S.A. Government are having discussions on this trade negotiations. Keeping it in view, what our Government is doing in this regard. The Parliament very well knows about the Government's inactivity in this respect. Today, I would like to submit one thing more than the House. Each word and every sentence of the Dunkel Proposal is a symbol of neo-colonialism and economic slavery. I would like to appeal to all the M.Ps irrespective of their party affiliation that they should speak unanimously that they are not prepared to accept this documents which is a clearcut symbol of economic slavery. What is the stand of the Central Government regarding the Dunkel Proposal? What are the positive aspects of the proposal mentioned by Shri Chidambaram, the former Minister? Does it suit India or not? Perhaps the Congress M.Ps may not support the Government on this issue. In that case that the present Minister will do. We have to examine it. Whether it suits India or not. In view of all these things. I would like to highlight the history of the Dunkel Proposal.

Mr. Speaker, Sir, when the negotiation in this regard was going on in 1989, Shri Dinesh was the Minister of Commerce in the then Congress Government. It was the black day in our history. The India which was the leader of the developing countries in the matter of trade, gave up its moral right to lead the developing countries as soon as it accepted the entire proposal of America. It was the beginning of the entire affairs. I would like to suggest the hon. Minister that

[Sh. Rabi Ray]

when he speaks on the subject, he should first make an introspection and then speak. I would like to make an allegation against the then Government. At that time India completely came under the influence of America and gave up its moral right to lead the developing countries. Today's Dunkel proposal means the destruction of our agriculture and small scale industries as they will work under the multinational companies. All the employment opportunities are based on the small scale industries and not on the heavy industries. I mean to say that say...

[English]

To be or not be is the question.

[Translation]

Therefore, India has to survive as a sovereign nation with all its dignity and prestige. Our sovereignty has been mortgaged in the name of the Dunkel Proposal. The Government has promised to issue a white paper on the subject. Today, the entire House is discussing the matter. Other nations are looking towards the Parliament of India with a great expectation and are waiting for its decision. But the white paper has not been issued by the Central Government so far. It is least concerned about it. There is nothing new in the note circulated by the Cabinet Committee. The Government should put forth its clearcut and comprehensive views on the Dunkel Proposal.

Mr. Speaker, Sir, the meeting regarding the Dunkel; Treaty has been postponed till 15th January, What the Government is going to do in this regard. Will a Ministerial meeting be held prior to the meeting? Will the proposed delegation of India ventilate our views and protest in the meeting to be held on the 15th January because the Government has not

formed any opinion on this issue. Therefore, I would like to submit politely to all the hon. Members of the Houses that we won't be able to do any justice, it is the job of the experts. I would like you to keep out sovereignty as well as that of Parliament unimpaired. The existing agricultural system can be improved but we cannot allow our agriculture to be carried out under any international discipline.

Through you, I would like to make an allegation on the Government that it has practically accepted the Dunkel proposal by not taking decision, though it has not signed it. For instance I would like to make a mention of import of wheat. We imported wheat worth Rs. 1500 crore, though there was no reason for doing so. The entire House knows that the Government has taken this step just for the sake of kickback. What would be the fate of Indian agriculture if we sacrificed it at the altar of international discipline suggested in the Dunkel proposals? Will multinational corporations or America or Dunkel Sahib decide the fate of our agriculture? Perhaps the Government has accepted this. Otherwise what was the reason that we agreed to pay more than Rs. 500 to the farmers of Canada and Australia and paying Rs. 300 less to our farmers and this went in for import with Rs. 1500 crore. The reason behind it is that America is aware of the fact that the way and the speed with which our agriculture is developing will, one day or the other become equal of the American agriculture. In order to do away with our agriculture system and in order to sign the Dunkel proposals this Government is basically accepting that line.

Mr. Speaker, Sir, the way the Government has reduced the custom duty on imported items in the Budget for 1992-93 and put an extra burden of Rs. 2500 crore in the form of increase in sales-tax and excise-duty reflects how the Government is accepting the substance of Dunkel proposals. Now, I would like to place some figures

[Sh. Rabi Ray]

before the House with your permission. There is a medicine called Toveromycine being sold at a price of Rs. 16.82 in India. Its price is so less only because we have not accepted Dunkel proposals so far. The price of the same medicine in Pakistan is Rs. 150.08 and in the USA it is Rs. 387.50. You can well imagine as to what does it mean by it.

Therefore, Mr. Speaker, I would like to submit that the most dangerous thing in these Dunkel proposals is cross retaliation whose symbol in Carla Hills and probably President Clinton would also keep these proposals with him. She was also a trade representative during Presidentship of Bush. She had said openly here that if the Government of India did not agree to the conditions of American Government with regard to intellectual property, it would give rise to cross retaliation in the country. Moreover, restrictions under Super-301 have already been imposed on us. 5 per cent duty has been increased on all the textile goods exported from the country. I would like to submit that Cuba has friendly relations with us. It needed one lakh tonne of rice and we had raised the issue in this very House, But Cuba was prevented at the instance of America, this House knows this fact. I think it is an attack on our economic sovereignty. Now the question is how far the House succeeds in having a controlling on that and in rescuing our economic sovereignty. It is a matter to be considered.

Therefore, my submission is that Mr. Dunkel, who is a symbol of the international trade, knows it very well that there is a proposal to set up an organisation to implement this treaty. That is a multi-lateral Organisation and all developing nations will not only be affected by that but will be ruined like Latin American countries. I would like to submit that our position will be worse than that of Latin American countries. What is

happening in Somalia today? What will be left when our entire agricultural system is done away with and public Distribution System is discontinued. Perhaps, the Dunkel proposals would prove fatal to the entire legacy of our national movement which has been our tradition based on three principles of Swadeshi, Swavlamban and Rozgar and which we have obtained from our national movement and incidentally we are celebrating the Golden Jubilee of 1942 Revolution.

17.00 hrs.

Today, the question before the Parliament is how will be able to regain the economic sovereignty which our Government has mortgaged, whether we would be able to regain it or not. Therefore I would like to make a suggestion to the House not to leave the matter just after having a casual discussion on it. I would like the Government to follow the slogan of Swadeshi, Swavlamban and Rozgar. When the Dunkel proposals are likely to be signed by January, 15, 1993 or within the next couple of months this Government may make it clear to those who have brought Dunkel proposals that our Parliament is still having discussion on it and that the Parliament has not yet taken any decision on it. Unless the supreme Parliament of this country takes any decision on it, the final decision on it will not be taken. This should be made clear to the Dunkel proposal advocates. Therefore, my submission is that we won't be able to do anything concrete unless a Joint Parliamentary Committee (JPC) on it is constituted. In view of the prevailing circumstances I would like to submit that until the committee consisting of the Members of all political parties evaluate what in the interest of the country and what not, India should not sign the proposal. The entire House should have single opinion that there is no other way than to get the matter evaluated by JPC. Mr. Speaker, Sir, this is very essential to protect the sovereignty of the country as well as to protect our agriculture

[Sh. Rabi Ray]

and small industries. For it would have the authority to discuss matter from all possible points of view, experts, from various fields and others would make their suggestions and this help the committee to reach a final decision. Thereafter, the report will be presented in the House and it would be taken. Mr. Speaker, Sir, I would not waste much time and only submit that today's discussion should culminate into a decision to constitute a Joint Parliamentary Committee on the Dunkel proposal and that Committee may go into it.

This decision should be taken unanimously. We have to save the country; we have to protect our agriculture and also small industries. Therefore is no other way than this.

SHRI SOMNATH CHATTERJEE (Bolpur): May I make a submission? This is a very very important issue. Nobody can dispute it. Let us know what is in the Government's mind. Just after one or two hours discussion, they say that they have taken the consent of the House, taken the views of the House and they will enter into whatever agreement they want to. Therefore, we must know what is there in the Government's mind for any meaningful discussion and whether they are accepting any particular thing or they are rejecting anything. What is their tentative decision? They must have arrived at some decision. I agree, we do not know it. We are generally giving our views. Everybody has opposed it. We are completely in the dark as to the Government's thinking on this.

I also earnestly request the Prime Minister to come here because that will show the importance of the discussion. He is the Cabinet Minister for Industry. It is essential that he is present here. That will show that we are taking it very seriously. Let this issue be

not taken either on partisan basis or casually, not for the sake of formality. Please do not this. It is not a discussion just for formality. Some discussion is held in the House. I request the Government to respond to this before there can be any meaningful discussion. (Interruptions)

[Translation]

SHRI SHARAD YADAV (Madhepura): Mr. Speaker, Sir, I entirely agree with the views of Shri Somnath Chatterjee. Whatever he said is quite correct. If discussion is held merely for two hours in the House and it is concluded from this two hour drama that Parliament has given its assent and we are supposed to sign it, then it is wrong. It is not at all permissible in this manner. I, therefore request that the Government should either agree to set up a Joint Parliamentary Committee or should say that it will not sign it. The attitude which they have adopted here is not at all correct. (Interruptions)

MR. SPEAKER: I have heard Somnathji very careful. I will respond to it later. But before I respond, I will ask the Government to respond to what you have said. Therefore are two things before us. I think, Kesariji wanted to make a statement. Jakharji also wanted to make a statement on drought condition.

Are you making one statement?

THE MINISTER OF AGRICULTURE (SHRI BALRAM JAKHAR): Yes, Sir.

MR. SPEAKER: There are statements. If you agree, we are going to sit and discuss this matter for four hours. The time given is four hours on Dunkel. I think we can ask Shri Balram Jhakar and then Shri Sitaram Kesri to make the statements. Then, we will come back to this discussion.