

should be given to link HBJ Pipeline with the power stations. And, in order to complete the Power Projects expeditiously, adequate financial assistance should be sanctioned.

**(vii) Need to facilitate loans to farmers from Banks on the basis of their land.**

**SHRI RAM PUJAN PATEL** (Phulpur): Agriculture plays a pivotal role in the economic development of the country. The Government have started innumerable Projects for the development of agriculture but far from being benefitted, the poor farmers have become indebted to the cooperative departments and banks. The Government have framed certain rules and fixed a limit to provide loans to the traders and industrialists due to which the businessmen and capitalists as per their convenience can avail of loans, upto the fixed limit from any banks. But no such facilities are available to the farmers though they also have permanent property. In this context, I urge upon the Central Government that pass books should be issued to farmers after evaluating their agricultural lands to enable them to take loans from the banks at their convenience. This will also save them from the clutches of money lenders and they will be able to sell their agricultural produce in the market well in time at reasonable prices. Thus, they will improve their economic condition and save themselves from the exploitation.

**(viii) Need to construct a railway bridge on river Ganga at Gazi-pur in Uttar Pradesh.**

**SHRI VISHWANATH SHASTRI** (Gazipur): It is most essential to construct a railway bridge on river Ganga in the Gazipur district in Eastern Uttar Pradesh. This has been a long standing demand of the people of this area. In view of the people's demand, the Railway Ministry had conducted a survey in Tadi Ghat near Gazipur for the construction of the railway bridge but no further action has been taken in this regard. If this bridge is constructed, the railways will be able to divert certain trains, *via* Dildar nagar, Tadi Ghat, Gazipur, Oudhihar, Varanasi and the strain on Mughal Sarai Junction will be reduced.

Therefore, the Central Government is requested to make provision for a railway bridge on river Ganga in Gazipur at the earliest.

15.31 hrs

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

**MR. SPEAKER:** We now take up the discussion on the implications of the Dunkel proposals. We had decided to take it up at 3.30 p.m. We are taking it up exactly at 3.30 p.m. today and my request to the hon. Members would be that it has to be completed today because we have other business. If necessary we shall sit a little late also.

**SHRI NITISH KUMAR (BARH):** I was still on my legs.

**MR. SPEAKER:** I was hearing your speech from the Chamber. You had concluded. You made a good speech.

Shri Rupchand Pal.

**SHRI RUPCHAND PAL (HOOGHLY):** Mr. Speaker, ever since the initiation of the multi-lateral trade negotiations in September 1986, momentous changes have taken place the world over. The balance of forces has tilted in favour of a particular super power of the erstwhile political scene and the Government of India has taken a 'U' turn in many matters. While we are discussing the Dunkel proposals, they cannot be discussed in isolation. They are part of a number of measures already taken by the Government of India, under what goes by the name of the New Economic Policy, the New Industrial Policy, the New Trade Policy, etc.

Some of the proposals incorporated in the Dunkel Draft have already been implemented or are in the process of implementation by the Government. In my limited time, I will try to cover some of the points made by the present Commerce Minister when he initiated the debate and some other points made by the former Commerce Minister.

**MR. SPEAKER:** No, no. Let us understand this. This is a very

important discussion. You are not commenting on the points made by the Commerce Minister. You are commenting on the Dunkel proposals.

**SHRI RUPCHAND PAL:** I will comment on the points made in the background of the Dunkel proposals by the hon. Commerce Minister.

**MR. SPEAKER:** You can take it that your considered views will be respected, and will be considered if they can be accepted.

**SHRI RUPCHAND PAL :** I will respond to some of the points.

**MR. SPEAKER:** No, no. There is no time for all that. It is not a dialogue going on.

**SHRI RUPCHAND PAL:** I shall try to confine myself to the points in the Dunkel Draft itself and the response of the Government of India.

I do not understand what the difficulty is.

**MR. SPEAKER:** The difficulty is, time is not there. There are many others who want to speak.

**SHRI RUPCHAND PAL:** About the speech made by the hon. Deputy Leader of BJP in the House, I would like to say that it was a marked departure from the speeches made by him elsewhere including the speech made by him before the Indo-U.S. Business meeting.

Sir, the first assurance given by the hon. Minister yesterday is that the Government will bring in a legislation to fully protect the farmers' interests in the use of variety of seeds. How? The hon. Minister has said that there is no obligation on our part to patent seeds—that is okay and there is no difficulty in that—and we shall have to resort to either UPOPV 1991 or we may just join 1978 Convention. In 1991 UPOPV, after the revision, there is no such scope because it was revised in a manner where the Indian farmers interest can not be protected.

About joining the 1978 Convention, even there we do find that there is no scope for the licensing of right. We do have in our country no less than 500 small seed companies, who multiply and who cater to the needs of the agriculturists across the country. And without this licence of right, the joining of 1978 Convention will also be meaningless. So, what we demand is that there should be a licence of right, that is, by paying the royalty only these companies can multiply and they do automatically have such a right. I want to know whether such a protection can at all be given through the prepared legislation for the present Commerce Minister, the Dunkel proposal is a simple language problem and to the former Commerce Minister, it is a simple case of innocent amendment of the earlier GATT rules.

It is not so simple. It is not so innocent. I would like to know whether in this predetermined target concept only in cases of malnutrition and similar situation we shall be able to have such PDS. But the Government should determine, the Parliament should determine what should be the target. Why should you come under an international discipline for our PDS? The recent picture that has come about the PDS, as per the Government figure, is that the offtake is going down because the people do not have enough purchasing power even in the miserable situation prevailing in the PDS. Then again in a period of crisis if the Government wants to provide a better PDS if the Parliament should decide, we shall not be able to do that.

Again coming back to the subsidy question, the hon. Finance Minister has said that it is far below the ceiling. You are providing for the foreign investors in the power sector 18 per cent guaranteed return, the tariff will rise up. In fertiliser we know that the prices are going up. What will happen in such a situation? Will the Government will be able to continue the PDS? We are sacrificing our long-term interests just thinking about some illusory short-term gain. In fact even in the short-term we are not making any gain.

As you know in the developed countries they have thought about a

provision for decoupled income support. I have calculated. In the EC countries for cereals they will provide social security to the tune of Rs. 8000 per hectare. In the case of oilseeds only, the EC countries will provide no less than Rs. 15000 per hectare to keep their farmers competitive. It will not so happen in our country. Our country is in need of more food production and food security is required. Subsidies in developing countries like ours will have to be very high and to make it competitive, we shall have to provide incentives. It is an unequal world. I fully agree with the former Commerce Minister. It is an unequal regime and the provisions that have been made in the Dunkel proposals are quite unequal and against the interests of our country.

About the market access, the hon. Minister had said certain things. But even if it is taken for granted that so long our BOP continues we need not worry. But this BOP will also be determined by IMF the certificate has to be given by the IMF only. As we know in the human development index our position is at No. 134. There is an attempt to show that India is rich country. Through price purchase parity concept they have put us in a number six, they want to show us a rich country at par with USA, Japan and other countries. The BOP can rise, the foreign exchange reserve can rise even if you borrow.

Again there is the question of dumping as it has started in the case

of industrial products. We know about the complaints made by the Bombay club. This will happen in the case of agricultural produces also and our country will be full of dumped cereals, dumped grains and such other things. Some multinationals are controlling the global grain business. They will determine the price. They will play one developing country against the other and naturally we shall be really in a very very helpless position. This quantitative restriction to protect the Indian farmers is urgently required. So, I do not agree with what the hon. Commerce Minister has said.

The hon. Commerce Minister has also spoken about strengthening of compulsory licensing. By compulsory licensing, what can we do? By strengthening the compulsory licensing in the TRIPS proposals we can at best ask the MNCs and others to produce what we need. But the right of licence we are being denied. Only right of licence can ensure the interests not only of the agriculturists but also of others. Such right can only provide scope for competition. We are speaking of competition but the very advocates of competition in respect of our country are going to occupy a monopoly position through these Dunkel proposals. Competition can provide better technology. Only through competition we can make our prices cheaper. Only through competition we can save the way for further industrialisation. But our indigenous companies are being

denied the competitive right. They are being deprived of this right of licence.

The hon. Commerce Minister first said about the gene programme that India wants explicit exclusion of naturally occurring genetic material. But does the naturally occurring genetic material include micro organism? I doubt it does not, Bio-pesticides, such as, rhizobia and green and blue alagae, have been produced and used by the advanced countries, used in our country also . This patentability of micro organism is a concept which the scientists, the research workers are opposing throughout the world. But I am disappointed to find that the hon. Commerce Minister has spoken about the demand for exclusion of naturally occurring gentic material ony. He has not spoken anything about the micro organism about the control of gene that has also been proposed there. Because biopesticides is a future pesticide. If you go through the Rao Conference's, spirit, the future depends on this biotechnology, biopesticides. But we are just not caring about this thing. We are not demanding the exclusion of this particular control over micro organism.

I would like to draw the attention of the hon. Commerce Minister to one more thing. I do not know whether it has been discussed in the national and other debates which have taken place. In clause 27(3)(a), humans and animals are excluded from diagnostic patentability but

not plants. It is not known which of the diagnostic methods which are in use in this country have been patented abroad or not because in the mean time a vast agricultural country like ours is using variety of reliable and sensitive methods for diagnosis o plants, pests and diseases. This has not been covered. This is a very serious thing because this omission of plants, from exclusion from patentability together with humans and animals, I think, it has been done deliberately and intentionally and we shall suffer a lot if we do not demand that plants also should be excluded together with humans and animals, from the diagnostic patentability.

In the speech made by the former hon. Commerce Minister, he has made certain points, and if Arthur Dunkel had been present in the Gallery, he would have burst into laughter that the former Commerce Minister had interpreted things to a length which Even Arthur Dunkel might not have wanted.

Sir, I know and we all know that he is a great advocate of the liberalisation process etc. He was speaking in that language earlier. He spoke in a similar vein yesterday also. He stated that GATT is no monster and it is no East India Company. I just want to quote one line.

“Is this the return of the East India Company and the new enslavement of India”

The same former Commerce Ministe is asking like this. After the Bombay

Club made a presentation he was speaking on the gillette, he was speaking about the cosmetics and he was speaking about consumer durables and that they are allowed to rise their equity to 51 per cent. The same former Commerce Minister is writing elsewhere: "Is this the return of the East India Company?" Here, he is saying the GATT is no East India Company. It was an exercise in untruth and self-deception to say the least. Of course, it is true that autonomously our Govt. has already taken some steps since 1991 and 35 areas have been opened up. What are those 35 areas? These areas vary from metallurgical industries to electrical equipment, from transportation to industrial and agricultural machinery, from chemicals and drugs to pharmaceuticals, from industrial equipment to cement and painting machinery and from hotels to software and food processing. They have been described as core sector. It is claimed that 80 per cent of the proposals have come in the core sector.

Sir, a part of the Dunkel proposals have already been implemented or are in the process of implementation. So, I would say that Dunkel proposals should never be taken in isolation. They are to be considered in the background of what goes by the name of new economic policy, new industrial policy, new investment policy and new trade policy. The former Commerce Minister has stated that it would be a great boon for the Indian farmers and that there is a potential for export of Rs. 30,000 crore worth of agricultural products.

Will our farmers be allowed to be competitive? Will our farmer be allowed to compete with others where the quantum of subsidies will stay for a long time to come? When social security measures are being implemented in developed countries when incentives are being provided to their farmers and when dumping that is going to take place in our country in such a situation. I do not think the Indian farmers will be benefited. Of course, we are not a major player. But till we become a major player we should not allow these things to happen and we should not allow to subscribe to the views and the provisions in the Dunkel Draft.

Sir, about the burden of proof in the TRIPS, the hon. former Commerce Minister has stated that in the Indian Evidence Act there are many such things even today. This is an exercise in self-deception. There are such provisions for cases of oppression on women and such other cases. But this should not be referred in an altogether different perspective. The burden of proof for patents will change a whole lot of equations prevailing in our country. Our scientists will be at the receiving end and our farmers will be at the receiving end.

Sir, he was speaking about China. China is knocking at the doors.

MR. SPEAKER: I remind you there are many Members who want to speak. You are speaking on the points made by the speakers on this side and not on Dunkel proposals.

SHRI RUPCHAND PAL: That is part of Dunkel proposals.

For long 40 years, China has been in self-isolation has been preparing the ground and has become a major player. Now they are dictating their own terms. If you go through the bilateral agreement between U.S.A. and China, you will find their stand on patent processing, about product patent, and about many other things. Then again, they do have trade surplus of several billions of dollars, over 18 billions to 19 billion of dollars. Again in pharmaceuticals, 95% of their health programmes are under the Government, the State sector. They are not being affected. But we are being affected. For non-commercial use, we cannot do that. If China can keep herself in self-isolation for long 40 long years to make the ground to become a major player to determine their terms, why cannot we keep ourselves aloof and try to find out new configuration to associate ourselves with the developing countries. There is a new growing in the third World Countries Pakistan was earlier opposing it in SAARC. They have reportedly revised their stand. We have heard about countries, like Malaysia, South Africa opposing the Dunkel proposals. We should find out our route to mobilise the developing countries during the time that is available between now and April, when the Ministerial level conference meeting is going to be held. We should try to mobilise Third World countries who have been affected by the Dunkel proposals as we are.

The Final Uruguay Round, I do not know whether it would be

signed towards the end of 1994, as has been stated by the hon. Commerce Minister. But in the meantime, we can avail of the opportunity to mobilise countries to give the leadership as we have given in the past in Non-aligned Movement, in many other matters in the international arena. It is not a lost case. We should not look to what France is doing expecting that if it collapses we are relieved. It is a fait accompli? May be, till today we are not a major player in world trade. It is also true that in 1947, our share in world trade was 2.5%. Now it has come down to 0.42% only. Who is responsible for it? It is the same ruling party which is responsible because the same ruling Party has been there at the Central Government for all these years barring two or three years, when the Janata Government was there.

I would suggest that the Government should try to mobilise other countries and use the time available between today and April next year. Otherwise, this nation is not going to take it lying down. There are protests throughout the Third World countries. There are protests even in the developed countries. In our country also, tomorrow and day after tomorrow, even at Delhi, people from different parts of the country are coming to protest, to give last warning to the Government that signing the Dunkel Draft will be a death knell to our self-reliance and to our economic sovereignty. The Government should

not be allowed to do that. The nation will not tolerate it.

[Translation]

SHRI MANI SHANKAR AIYAR (MAYILADUTURAI) : Mr. Speaker, Sir, my younger brother, Nitish Kumar had levelled allegation against us yesterday. I am saying this as it is certainly related to this.

MR. SPEAKER : You are speaking very good Hindi. I think you for this but because of the paucity of time, instead of commenting on each other's views, you say whether multilateral agreement would be beneficial or bilateral.

SHRI MANI SHANKAR AIYAR : I accept your directive. I will speak on the topic. But I do feel that the point which I wanted to raise is related to this topic. If, at the end, there is time, I will speak on that point.

16.00 Hrs.

The Uruguay Round began from 1985. Not only one, but all the four successive Government were associated with the talks. This process started during Rajiv Gandhi's regime. It further gained momentum during the regime of Shri V.P. Singh. When Shri Chandra Shekhar was the Prime Minister, it reached to a crucial stage. The final touches are being given during Shri P.V. Narasimha Rao's regime now. I want to bring this fact before the House because no Government either belonging to our party or that of the Opposition even for a moment thought of quitting the GATT talks. I do not think that there is any other

alternative before us. Had there been an alternative before us, the topic that is now before us, was also there in 1989 and in 1991. And when the Government was formed by Shri V.P. Singh or Shri Chandra Shekhar, nobody ever thought of improving the situation. No one ever thought of leaving or withdrawing from the GATT. The basic point that has come before the House is this that since only one week is left for us to arrive at a decision in this regard and our Government is going to negotiate at a certain level, should we now decide about quitting or being a part of GATT? There is no alternative before the present Government. Therefore, to say that we would quit GATT as the nation is with us, is a empty threat, GATT is an agreement that was signed before it was concluded. This is one job which we have accomplished after we became independent.

We achieved independence in August 1947 and within six months of this, we reached Havana in January 1948 and signed that agreement. It is our child. To say that we should quit GATT would mean the killing of the son by his father. We have two ways to attain progress in GATT talks and to promote it : First amendment and second compilation. My friend Shri Nitish Kumar has referred only to amendment, not compilation. I want to clarify to him that changes in the GATT are effected after several rounds of negotiations. Its work pertains not only to amendments but it involve compilation also and it has been



done. Prior to this, maximum compilations took place in 1958, when one-fourth part was adopted, and some provisions were made for the developing nations. Thus, in this way amendment and compilation are essential. GATT works in this manner only. Mr. Chidambaram was also saying this when he was talking about economics I would like to say a few words about history. You know that the Wall Street Crash took place in 1929 and it caused an upheaval throughout the world and affected India also. The worst to be affected were our farmers and labourers. In Europe there was widespread revolt, chaos and anarchy badly affecting the international Commerce. Due to this fascism and communalism progressed in Europe. This is the basic reason that in the absence of International Trading rules, the economic condition in Europe became so bad, that, Hitler, who in 1928 election in Germany had secured only three to four per cent of the votes, became the President for four years till January 1933. I am afraid, in the absence of GATT, we may face similar situation again. Each nation should make up its mind, as to how to run international trade. Otherwise we may again face the position of 1930-33. This would only help the fascist and the communal forces in our country. I would like to draw the attention of our Communist and National Front brethren towards this. Do you again want to create such condition under which Hitler became the President of Germany? You and I know who is going to

benefit, if those conditions were to return. If we withdraw from GATT, we would have only two options.

(Translation)

Our friend, Shri Roop Chand Bhai, was saying now that we dissociate and isolate ourself from the global economy and should neither import nor export and say that a big country like India is not capable of competing in the world markets as it has no strength because it is a very small nation, therefore, let us remain isolated, we can not venture out of our country. I do not think that this great country of Mahatma Gandhi or Jawahar Lal Nehru or P. V. Narasimha Rao's will say that it is not competent to compete. We know that we are competent enough to compete with the countries of the world. If you want that we should be in China-like for God's sake, do not tell this to China because they have realised that they should not have done this. They emerged out of their isolation in 1978 and adopted the policies which we are adopting today. The result is that, they have a foreign exchange reserve worth \$70 billion. I am not advocating that we should consider China of those days as our model and blindly emulate them. Times have changed. The old economic theories have become outdated now. The very nations, which had earlier discarded it and did not sign GATT in 1948, now are anxious to become its members. When every nation is clamouring for GATT membership,

it would not be prudent to opt out of it. What alternative have we, when we neither want to quit nor isolate ourselves from the world economy? The only alternative is GATT. We will have to accept it after having bilateral talks with each nation.

A reference was made to 301, a Draconian law of United States. Till now it could not be imposed on India, inspite of threats to this effect by the US, twice. The point is, why did they not impose it, considering their economic influence. I do not know when India will attain that stage. They did not impose 301, for they knew, there is an institution whose doors India can still knock to get it, grievances redressed. It could appeal against the Draconian law. Therefore 301 was not used against us. In the absence of GATT no one would have heard our plea. Had there been no GATT, America could easily have brought India to its knees, if it so desired. So far, they have hesitated, as they know that we have friends at GATT who can differentiate between justice and injustice. They know that in GATT, a small as well as a big nation enjoy equal rights—be it Luxemburg, India or New Zealand. Even small nations, whether in Europe, South America or Africa, all have the same rights—as all have a single vote. America knows, that we can get the support of other nations. They do pin-prick us, but what needs to be understood is that, in the absence of GATT, they could have gone to any extent to trouble us.

If we understand this point, we would realise the advantages of remaining in GATT.

Nitish Bhai was now speaking of Textiles. I want to remind him that when he was born in 1964, the very year I went to Brussels on my first posting. And in those days GATT negotiations were conducted at Brussels, not at Geneva. Around that year, America started a new agreement. Arrangement—regarding International Trade in Textiles (ARITIT)—by taking textiles out of the purview of GATT. This was the first charge, given to me at Brussels, in Indian Foreign Service. ARITIT was also known by Short Term Arrangement. When we were protesting that short Term Arrangement was not acceptable to us, they brought forward another agreement in its place and named it as Long Term Arrangement—LTA. Again when LTA became subject of criticism they again made changes and thereby lifted restrictions from textiles saying that the raw material used for manufacturing the textiles would be subjected to restriction and termed it as Multi-Fibre Agreement. My personal experience is that since the past at last 30 years, American has not only been trying to restrict our textiles exports, but have also been tightening the existing restrictions. Now they have reached a stage where it is said that within the coming ten years their acts, going on for the last 30 years, will come to an end. You are not accepting this. You say that this should happen earlier. I fully agree with you. But

if we do not get earlier, that which we would get within ten years, would you say we do not want after 12 years. Now the point is that the discussion is going on over the question of duration of 10-15 years at the initiative of Mexico—a developing country, which is also a member of G-77 and not at the behest of any developed nation. There are several developing nations who have benefited from all the three—STA, LTA and MFA. Two big producers like India and Pakistan found themselves on the same side. We are now the only nation to say that we do not at all need this type of agreement. The other nations of the world agree with us. They say that they would do, what we want to be done in 1993. Not now, but within 10 years. Is this not a major victory? Do you want our condition to become pathetic? Is it not a gain, when America says that it would never agree to cotton export? Do we not want this? Will we not get the benefit of GATT.

America particularly stopped exports under the anti-dumping clause. Our export is one per cent below the American consumption. Benefits of the agreement to us would begin to accrue from next year in engineering goods, chemicals and steel. We can also benefit further, if the subsidies there are lessened. As some one said, the extent of subsidies, in Japan and developed world is upto 200 per cent. If these are not brought down to 10 per cent, no one will put restrictions on us too. If, restriction of 10 per cent is

imposed on them, it would be imposed on us too. With this restriction, their market would be open to us also for exports.

Now they say, they can not export agricultural goods. Mr. Balram had said that we had reached the figure around 8.5 to 10.5 thousand crores. Yesterday Mr. Chidambaram had said our aim was to reach the target of Rs. 30,000 crore mark. I think that we can reach the figure of Rs. three lakh crores. This is because of the vast world market. Take the case of shrimps and prawns. Their market, perhaps, has touched \$ 75 billion. It is a small thing, which we can produce in our own country. If, the extent of subsidy on agricultural goods is brought down from 200 per cent to 10 per cent and if it is said that willy-nilly we have to import at least 10 per cent, then, who would derive the benefit, if not the Indian farmer? Will our farmer not be able to take advantage of the incentives, that come their way? They have demonstrated this in the case of Basmati rice. An Arab, who can import rice from all over the world, first goes to Pakistan. Thereafter, to India, because the Basmati rice, he wants, is available here. Our farmers have shown the world that they harbour no fear in their heart. He knows that he can compete in the global market.

Today, those who say that Dunkel proposals will spell doom for the farmers, mean to say that our farmers have no capability, they are not fit

for living in this world. I say that I myself and my party have full faith in the farmers. We know our farmers can take our country forward. Due to this we want that the farmers should take the benefits accruing from the Dunkel Proposals and we must not quit GATT. Yes, there are some disconcerting aspects in the Dunkel Proposals. For this reason my senior colleague Mr. Chidambaram making the proposals before the House suggested that we should express our concern with one voice over the points which go against up and get those points rectified. We should pass a resolution to this effect. This would strengthen the hands of our Commerce Minister when he or his representative goes to Geneva. Instead of accepting this, allegations are being levelled. I request you to hear our proposals. If they are acceptable to you, we can pass a resolution here. If you are not satisfied, tell us, to see how it can be changed. But do not make gratuitous allegations.

First is the issue of seeds. My friend Nitish Kumar said, and correctly too, that six lakh tonnes of seeds are used in our country. Out of which only two lakh tonnes are sold by State institutions. The remaining four lakh tonnes are produced and used by our farmers.

**SHRI VIRENDRA SINGH (Mirzapur):** Two lakh tonnes are produced by our farmers. Four lakh tonnes are obtained from State institutions.

**SHRI MANI SHANKAR AIYAR:** Whatever it may be, I want to tell you one thing. Our on-going negotiations on Intellectual Property Rights, through TRIPS, are not focussed on Intellectual Property, but the discussion is on Trade-Related Intellectual Property. If only one commodity enters international commerce, discussion can be done via GATT. If we decide that we do not want Patent Seeds, patented abroad, there will be no need to agitate against Cargill because we ourselves would have decided that we do not need it. Regarding the seed produced in India, our Commerce Minister has assured us in his statement:

*(English)*

There is no obligation on us to patent seeds and we do not intend to do it.

*(Translation)*

Seeds produced in India would not be patented. We have no such desire, nor do Dunkel Proposals force us to do so. Since you think we are under Dunkel's compulsion, its clarification is needed. It has been said in Dunkel Proposals that, in future a system is needed to arrange for protection of the produce. Dunkel proposals do not mention as to what type of arrangement is needed. Mr. Nitish was saying yesterday, that what right GATT has to dictate to us. I say GATT has no right to dictate to us. That is why GATT has not dictated anything to us. They asked us to prepare a system. What would be

this system? You can take the (system of) patents. It may be, that America may take the system that we need to have patents. But we have made it clear that we will not apply patents. Other way is the UPOV Convention of 1978. If we want to follow the provisions of it, we can do so. After this, one more agreement took place there in 1991. We can accept the provisions of 1991, if we want. If we want we can accept some provisions of 1978 and some of 1991. Along with this, we can impose patents, if we so want, if not, there is no need to impose patents. If we look back to the year 1978 and 1991, I do not like these two years, because in 1978 and in 1991 also you were a member here. But leave that. We have no need to implement that. Dunkel proposal suggest us to prepare a system of any type. We can prepare any system, we feel like. We are framing a law. Our Commerce Minister has said that a suitable legislation would be enacted, in which the farmers would have full rights to keep the seeds for themselves and the traditional system of distributing seeds among the farmers of the area would be fully protected.

Plant breeders, which have not so far come here, would be covered by this. This would benefit every one. If we do not enter international market of seeds, then we neither have to import nor export the seeds. Then, whatever we decide, would be applied in India so far as seeds are concerned. GATT is silent on

this. GATT provisions would be applicable only when it enters international commerce. We must not forget that as of today very little patented seeds of this type are being imported.

As far as genetic material is concerned, the Commerce Minister has said.

[English]

We are seeking the explicit exclusion of naturally occurring genetic material.

[Translation]

You have given this clarification. Thank God. Mr. Pal has accepted it. Regarding micro-organisms he says, if there are any micro-organisms, having naturally occurring genes, then we would not accept it.

As far as bio-technological engineering being carried out, it is inevitable, and is covered under intellectual property. It is your thinking that we would not protect intellectual property. You can formulate such a policy after getting people's mandate. However, this is not our policy. Hence, we do not see contradiction of any type between text of Dunkel draft and our Patents. However, regarding subsidy, it needs to be understood that restriction has been applied on production subsidy, not consumer subsidy. We provide foodgrains for the poor people, through the Public Distribution System

It cannot be argued that subsidy on PDS is a production subsidy. If it is argued that way then counter arguments can also be given by the Government. The Government can argue in favour of retaining PDS subsidy even in the GATT if decisions are tried to be thrust upon the country. The whole world knows the PDS of India and is in favour of it too that PDS will not be discontinued. Even the Director General of GATT at the time of his visit to India publicly announced that no restrictions will be imposed on PDS. It is only you people who keep on arguing that PDS is going to be subjected to restrictions. I fail to understand the reasons for giving that sort of arguments? Are you people out to be American agents? For God's sake, please keep silent. The whole world is in favour of continuance of PDS in this country. Unnecessarily suspicions are sought to be aroused in the minds of the public. The Minister of Commerce has also made it clear. Here I am quoting his words.

There is no obligation on us to undertake any reduction in respect of any input subsidy.

[*English*]

There is no obligation on us to undertake any reduction in respect of any input subsidy.

[*Translation*]

Regarding PDS, he has clearly mentioned that even if there are some doubts in this regard.

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[*English*]

We are not negotiating to achieve changes in the language. We will put the matter beyond any shadow of doubt.

[*Translation*]

Regarding market access I would like to submit that whatever we are going to do in this regard, had already been decided in 1988 itself. Even the two consecutive Governments which came to power in 1989-90 and 1990-91 did not deviate from it. Therefore, there is no need to harp on the same thing. If you had a different stand at that time, then it should have been conveyed at that period of time itself. To come out with a stand of non-acceptance at this final stage is not at all comprehensible. I fail to understand that logic.

Shri Nitish Kumar cited the example of National Assembly of Korea in this regard. They passed a unanimous resolution that if import restrictions are going to be extended to basic food stuff, then the people of Korea will not agree to it. Here our Government has also been called upon to explain that if a small country like Korea can take such a decision, then why can't India? We also hold the same views. Like the people of Korea, we should also decide as to what is not acceptable to us. That was the objective of the resolution of Shri Chidambaram. That is why he submitted that this House should unanimously decide on the points

not acceptable to this country and also those acceptable to India. If a resolution to that effect is unanimously passed then it will strengthen the hands of our Government. Otherwise leave it to the Government because it is not you people but this Government that enjoys people's mandate.

Mr. Speaker, Sir, one more minute I will take to reply to an important point raised by Shri Jaswant Singh and the other one raised by Nitish Kumar. Shri Jaswant Singh commented that if Kintki fried chicken cannot be manufactured in India, then why can't a ban be imposed on Tandoori Chicken in America? Though he raised this point in a lighter vein but he also stated that it was something very serious, so I would like to reply to that because of its importance. In fact, there is no restriction on Fried Chicken in India but as regards Kintki Fried Chicken, it can be manufactured only in that country because it carried their trade mark. Similarly an American company cannot manufacture and market Tandoori chicken with an Indian trade mark patented in the name of Shri Iqbal Singh. In case Shri Chidambaram goes in for manufacturing Chidambaram brand Idlis with an Indian trade mark patented in his name then nobody else in America can manufacture the same delicacy with that trade mark. Idlis with a different trade mark, however, could be prepared by them. Therefore, do not entangle this country in this sort of controversy. We must under-

stand if that Tandoori Chicken, fried chicken Hamburgers and the things of that sort could be manufactured both in India and in USA. [Interruptions].

However, this is a different issue. We are discussing the question of trade marks here. It is essential to protect them. Indian laws do not permit anybody to use these names Raymonds and Binny. Now this thing going to be introduced in international trade also. Your plea that country (Kintiky) Fried Chicken should not be allowed to be imported in India may have some force, however it has no relevance as far as this resolution is concerned.

Economic policy will be decided by us and not by you because the people have given us the power. We will formulate economic policies to take the country on the path of progress. I accept the point raised by Shri Nitish Kumar. He referred to an advertisement made by the Congress on Dunkel and submitted that the line containing had a mention of spurious drugs should be deleted. At that time I desired to know the page number because the English version I was having did not contain that very line. Later on I found out that his submission was absolutely correct. Yes, a mention of spurious drugs was there which should not have been there. Sir, however, this error after imitation, which is a translation error.

In fact we should have said spurious drugs or imitated formulations, after imitation because there

is a difference between imitation and spurious drugs. And this is the reason for the error that has crept in and I apologise for that. I would like to express my gratitude to Shri Nitish Kumar when I now accept as my Hindi teacher.

**SHRI INDRAJIT GUPTA** (Midnapore) : Sir, the Draft Final Act is the document which the Union of India is due to sign. It is a comprehensive package. It is a package and it is not permitted to take separate items out of that package and either agree or disagree separately. Either you have to accept the whole package or nothing.

Mr. Chidambaram, if I have understood him correctly which I do not know, seems to suggest that if we disagree with any portions of this document or do not fall in line with them, then we are liable to lose our membership of GATT. I do not know about this. I would like to know authoritatively whether it is a fact that any country which does not sign this final document automatically loses its membership of GATT because we are told that once we are out of GATT, then we will be in deep trouble because we will have to negotiate separately with each country and that will be much more difficult than being within some multilateral system.

Now, I want to raise one basic question, that is, whether this federal character of the Constitution permits or does not permit the exclusive powers of the States as they are defined in our Constitution, to be

eroded without the consent of those States and consultations with those States? We have a federal Constitution; we have so many States and different parties ruling in different parts of the country. Is it permissible under the Constitution? Kindly look at the State List in the Seventh Schedule, Item 14 and subsequent item which deal with agriculture. These are exclusively within the domain of the State. Is it permissible for the Central Government, without the consent of the States, to permit the exclusive powers of the States to be curtailed or eroded in any way? I am raising this question; there are legal luminaries on that side who can give me a reply. I believe on the 21st October of last year, the West Bengal Chief Minister had written to the Prime Minister demanding that the State should be consulted before any final decision is taken on the Dunkel Draft. I believe no reply was given to his suggestion. Article 73, proviso to 1(a), (b) states quite clearly that the Union cannot legislate on the State subjects without the States consent. We are entering into an international treaty and all our laws or most of our laws will have to be changed in accordance with the provisions of the Draft. That means, we are legislating in respect of States and their rights also. Have they been consulted? Has their consent been taken? Are we authorised to do that? This has got a vital bearing on agriculture.

**MR. SPEAKER** : Is it in the Concurrent List or the State List?



SHRI INDRAJIT GUPTA : It is in the State List. It is better that somebody explains this because we do not want to get into a difficulty where the States are in revolt against the Centre's unilateral action. What will happen to the federal structure of this country? What prevents the Centre from consulting the States and seeking to take their consent, if they can ?

MR. SPEAKER : Which entry are you referring to in the Seventh Schedule ?

SHRI INDRAJIT GUPTA : I am referring to the State List, Seventh Schedule, Item 14 and subsequent items dealing with agriculture.

I am referring to Article 73 and its provisos (1) (a) and (b). This question is there in my mind. I would like to have a clear reply to questions which arise out of this: Whether in exercise of this treaty making power, the Union can enter into a treaty without keeping the Parliament, the State Legislatures and the people fully informed about the impact of such treaties on their rights, powers and responsibilities? Whether the Union can affect people's right to cheap and adequate medicines and health care facilities? If anything is done which adversely affects the right of the people to get cheap and adequate medicines and health care facilities, is the Union empowered to do this in exercise of its treaty making powers during which the States are not being consulted at all and their consent is neither being sought? Whether the treaty making powers of the Union

can affect people's right to food? Whether the treaty making powers of the Union can affect the farmers' rights to use seeds, to grow crops in successive years? We have been told yesterday here that there is no difficulty about seeds and farmers can continue to procure seeds as they have been doing in the past from their own crop by what is called the exchange across the fence and so on and so forth. I am not referring to these ordinary seeds. I am referring to the perpetual quest which is going on in the agricultural world for better quality seeds, for hybrid seeds and for better yielding seeds. Whether these seeds will be available freely to the farmers or these will be in the godowns of Cargil and such other gentlemen from whom they will have to be obtained ?

You see, yesterday's papers have carried cut these headlines :

"Farmers from India, Europe and Japan demonstrated today in Geneva against American Imperialism and the GATT Trade Accord, which they fear, will ruin hundreds of millions of farmers and uproot centuries' old traditions."

This news items says that the GATT opponents in India planned demonstrations against such symbols of American imperialism as McDonalds, Kentucky fried chicken, pepsi cola, etc. Indian farmers are concerned that plans for international patent protection will give American seed

multinationals like Cargil, rights over the local farmers producing their own crops and so on. So, I am raising this point. Whether the treaty making powers of the Union can be allowed to adversely affect the right of the farmers to get unrestricted supply of seeds? Can the treaty making powers of the Union allow it to take preemptive steps? I say this because I believe certain irrevocable steps have already been taken. Can the Union take preemptive steps which place its legislative bodies in the embarrassing position of having no choice but to implement the treaty?

I do not know the exact date but in July last year, the Ministry of Commerce had privately circulated document which made it clear that certain changes in the Patents Act were under consideration. I only want to raise one point. On 4-8-1987, 15-11-1988, 19-3-1990, 27-3-1990, 4-5-1990, 11-5-1990 and 11-9-91, assurances had been given that no changes would be made in the Indian Patents Act.

It is on record. All these assurances have been violated, are going to be violated. A privately circulated paper of the Ministry made it clear that these changes are under contemplation. As I was saying just now, all laws and policies in India will have to be changed in accordance with the Dunkel provisions and some of these, as I said, run counter to our Constitutional provisions. If you do not accept, you will become the victim of cross-retaliation. That is provided for.

I do not believe that this is a negotiated document which represents some type of consensus between equal parties. They are not equal parties at all. The background must be remembered. I do not blame anybody for that. That is the state of the world. We have North and South, developed and developing countries, rich and poor countries. This is the reality of today's international situation. These Dunkel proposals are heavily loaded in favour of the developed countries and there is no free negotiation because every now and then there is a threat of retaliatory action and super 301, threatening sanctions against us. And, we are made to believe that we are negotiating as equals and some sort of consensus will emerge. Sir, there is nothing wrong in all these efforts which have been made by Government. These efforts to get some assurances, some further concessions through discussions and negotiations with M/s. Dunkel and Southerland, among others, are praiseworthy. But, I think the end result is not expressed in any written form, in any document. These assurances are all verbal and oral. They are not in any document or in any written form. So, I do not know what their worth is.

For example, we have been told that revision of our agricultural policies would not be applicable because we have a serious balance of payment problem. But, unfortunately, our Finance Minister goes around the world claiming that our BOP problem has been solved and

we have now got foreign exchange reserve of 8 million dollars, and, therefore, there is no balance of payments problem. How does the other clause operate? Actually, who will decide whether we have a balance of payments problem or not? It is quite clearly laid down that it will be decided by the International Monetary Fund. You cannot go on saying on the one hand that we have no BOP problem and on the other hand you say that we have the balance of payments problem. You must make up your mind.

I would like to say a word about these various services. It covers financial services, banks, insurance, telecommunication, aircraft, port, etc. This is a new field in which we have not so far allowed entry of foreign agencies or foreign firms. It is laid down that foreign suppliers of these services must be accorded most favoured nation treatment and what is called a national treatment. That means that they have to be treated on par with the national or domestic suppliers. There cannot be any favourable treatment given to domestic companies which are in this field. They must be on a par. Foreign banks, insurers, lawyers, doctors, accountants, broadcast media and other service suppliers will automatically be allowed to operate in India on the same terms as the domestic suppliers. We know what are their resources; what is their position; and what is the position of our country.

As far as market access goes, no quantitative restrictions can be placed

on the number or on the value of those providing these services or service transactions. I submit that due to foreign competition which we will not be able to stand, our people are in no position to compete with these giants of the western world. There will be a loss of fundamental right to trade and commerce. Please see Article 301—a loss of fundamental right to trade and commerce due to the elimination of foreign competition.

Today, many industrialists in our country who were keeping quiet so long, I find that they are speaking up, they are issuing statements appearing in the press in which they are expressing this fear.

AN HON. MEMBER : Bombay club.

SHRI INDRAJIT GUPTA : Not only Bombay club but also other companies are saying that they are facing the danger of being wiped out. How can we compete with these people? As somebody remarked earlier today, the paid-up capital and turnover of one of these companies is equal to the entire annual Budget of our Government. How can you compete? How can unequals compete?

Then, of course, there is a policy of fear, justified fear, of dumping. You must remember that all these developed countries today are suffering from recession. In their own countries, they are having these problems of unemployment, of trying to get rid of foreign workers, who

were employed there for years together, of competition among their own companies. These are leading to shrinkage of domestic market. They are retrenching people. They are dismissing people right and left. They cannot keep them any longer. They are looking for foreign markets, where they can dispose of their goods. What better markets they can get than India. Then, we must consider the reality. This is the background. This is the thing which is taking place. This drive for markets by the developed countries is going to be accelerated through the mechanism of this Dunkel and India will be made a victim of what is euphemistically called global integration. We are trying to integrate globally our economy with the economies of not only developed countries but also developed countries which are suffering from recession. Therefore, they are looking for markets abroad which they can penetrate with their goods and services.

So, I would say that, we have been brought to the brink of a precipice in regard to our industrial self-reliance, of our own industrial infrastructure and in regard to our economic sovereignty. Sir, we must pull back while there is still time and opportunity to pull back to whatever extent we can pull back and if we do not pull back, we will go over the edge and the country will plunge into a difficulty. I think we are not able to contemplate just now what the fate of the economy of this country will become. I do not know why we are waiting for Kentucky fried

chicken. Already our markets have been flooded with all manner of consumer products and so on which can be produced and which are being produced of equal quality and competitive price in this country. However, we are doing it with our eyes open. Later on, nobody should say that we blundered into something.

The domestic subsidy to agricultural products will have to be supplied to everybody; this will have to be reduced by 20 per cent during a period of ten years; and the subsidy cannot be raised beyond a ceiling which is there of 10 per cent. At present, we have something like 5.2 per cent or 2 per cent; some people say 5.2 per cent is the upper ceiling. Whereas the developed countries pay enormous subsidy to their farmers; and even if they go in for full 20 per cent reduction in subsidy, this will still leave a very wide disparity between them and us—giving them easy access to our market.

Under the new patent system, patent right will be granted at par for imported goods or locally produced goods. About micro organism, Mr. Mani Shankar Aiyar today and yesterday Mr. P. Chidambaram had attempted to mollify some of our apprehensions and doubts; but I find that many scientists in the field of biology and so on are very much disturbed about what is going to happen to the genes and life forms. Mr. P. Chidambaram himself yesterday said that this is something which we cannot agree to, because it is not only there but is also something

which is immoral; life forms cannot be allowed to be patented in this way which they are thinking to do. We should resist. The Government is trying to resist. I would urge upon them to resist with more vigour and determination; and they will have our support in that matter. The patent holder on imports will be given an exclusive right. I am told a very strange thing that there is a transitional period of ten years. During this transitional period or intermediate period, if somebody, a foreigner, has applied for a patent right, he need not wait till his patent application is accepted. During that intervening period of ten years, he will be permitted to enjoy unrestricted selling rights in the country where he is seeking his patent. The final decision on that patent need not be concluded before ten years, but during the intervening period, he will be given an exclusive selling right of his products in our country, in our market.

And as I said, yesterday Mr. P. Chidambaram also admitted that the prices especially of medicines and drugs and pharmaceuticals which are produced by small scale units will go up enormously; he said, they will go up 45 per cent; some people are calculating that they will go up much more. But, in any case, medicines will go far beyond the reach of the common man in this country. We are dealing with this country, no other country. Already people in this country are poor; you know their capability of procuring medicines

and drugs. This will now become absolutely something which will be prohibitive. So, this proposition of unequal reduction of tariff barriers and elimination of non-tariff barriers will create enormous problems for the domestic companies.

I do not want to prolong this thing because many things which were said yesterday by our colleagues on this side of the House were quite correct, well judged and I am fully in support of them. But I would like to ask the Commerce Minister or the Prime Minister what is the benefit which our country is going to get out of this Dunkel Proposal? You should tell us. We will become a partner in a multilateral agreement; that is true. But in an agreement which is heavily loaded in favour of one side, that is, the developed countries with all their power, their resources and their multinational cooperation, we are on the other side.

I am sorry to read today that this G-15 meeting which is about to be held in Delhi in a few days' time, in a week's time, which was supposed to be some kind of getting together of the developing countries to see if they could chalk out some common standpoint and some common kind of strategy on this question, has been indefinitely postponed.

17.00 hrs.

It is very likely to fail now because a number of countries have backed out and may not attend; from G-15 it may actually become a G-6 meeting. That is what the papers tell us today.

In that case our clout as an eminent partner of developing countries will go down very seriously and we will be at a further disadvantage in this question of bargaining. So, all I want to say is that, I think, we are in a critical and dangerous situation. This is a completely anti-national thing which is sought to be done against the interests of our people. This is not a banana republic. We are not a banana republic.

MR. SPEAKER : May I ask you a question, if you allow me ?

SHRI INDRAJIT GUPTA : We are not a banana republic. We have built up something over the years, which we are proud of.

MR. SPEAKER : Your views will be very much appreciated and valued. The question before us, before the country and before Parliament is, should we have an agreement which is entered into between two countries, a bilateral agreement on foreign trade, or should we have a multilateral agreement which is entered into by many countries, and supposing the bilateral agreement is going to be less beneficial than the multilateral agreement, how do we bring about an agreement which is going to be more beneficial for our country?

SHRI INDRAJIT GUPTA : We should do whatever is in our interests.

MR. SPEAKER : How?

SHRI INDRAJIT GUPTA : We cannot sign on somebody else's dotted line.

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MR. SPEAKER : Certainly not. Is it a fact that a multilateral agreement is likely to be—not necessarily—more beneficial than a bilateral agreement?

SHRI INDRAJIT GUPTA : Then we should be educated and enlightened about that.

MR. SPEAKER : If you have entered into an agreement with a very strong country on your own with all the assistance and support of other countries, will it help ?

SHRI INDRAJIT GUPTA : It may help; it may not help. But why should you assume that one strong country alone and we alone will be fighting it out? There are other countries. There are so many countries.

SHRI SOMNATH CHATTERJEE (BOLPUR) : Even France has reservations.

SHRI INDRAJIT GUPTA : Japanese farmers are demonstrating saying, "No imported rice". You must have seen those photographs.

SHRI SOMNATH CHATTERJEE : It is a very serious issue.

MR. SPEAKER : It is a very serious issue; that is why I am raising it.

SHRI SOMNATH CHATTERJEE : The Government should not sign it. (Interruptions).

MR. SPEAKER : Let us not take that stand. Let us take a rational stand.

**SHRI INDRAJIT GUPTA :** I am only saying that the Government should explain it. It is not a level playing field. I say that it is not a level playing field.

**MR. SPEAKER :** There may be some points, there may be some issues, on which we would be required to take a very strong stand. Agreed.

**SHRI SOMNATH CHATTERJEE :** Will anybody listen ?

**MR. SPEAKER :** Are we suggesting that we should withdraw from the GATT when China is trying to be a member of the GATT ?

**SHRI INDRAJIT GUPTA :** Do not jump to such conclusions. Sir, because I am told that after the 15th December no further negotiations will be there.

**MR. SPEAKER :** That was explained by Shri Pranab Mukherjee yesterday.

**SHRI INDRAJIT GUPTA :** He only said that we are not signing anything on the 15th December.

**MR. SPEAKER :** When International agreements are signed, the discussions take place at the official level and if there is going to be a Ministerial level meeting there will be a discussion at the Ministerial level; and that does not stop there. It has to be ratified by the Government also.

**SHRI INDRAJIT GUPTA :** Yes. But what happens if the Govern-

ment is already inclined to do it—because the Government is paralysed with the fear that we will be losing our membership of GATT—and therefore should we agree to everything ?

**MR. SPEAKER :** No, No. It is not like that. The final agreement is discussed by the officials, then the Ministers discuss it, then it is brought before the Cabinet. The Cabinet ratifies it and then it becomes binding.

**SHRI INDRAJIT GUPTA :** So, what is the safeguard ?

**MR. SPEAKER :** That is why we have to suggest as to how to carry on the negotiations, on what point we should stick.

**SHRI INDRAJIT GUPTA :** All I wish to say at the end is, that you may carry on some further attempts at negotiation or discussion. But what about our clout ? Here is a country which has become so heavily dependant on foreign loans.

**MR. SPEAKER :** Our clout is the unity of the country is having the same kind of interest.

**SHRI INDRAJIT GUPTA :** That is what I said. That is why this G-15 Conference was called.

**MR. SPEAKER :** In the GATT also, it is so.

**SHRI INDRAJIT GUPTA :** In the GATT also, they do not always move together.

MR. SPEAKER : That is true.

SHRI INDRAJIT GUPTA : Now in the negotiating table at Geneva each country is trying to fend for itself and that is natural. Do not think that we have blocks of countries negotiating together at the GATT. It is not like that. Anyway, I have expressed my apprehensions.

MR. SPEAKER : You have expressed very correctly and everybody appreciates them. But this is the point on which we will develop a sort of consensus of possible.

SHRI INDRAJIT GUPTA : What about my constitutional point ?

MR. SPEAKER : That has to be examined. Of course, agriculture, it seems, is in State List. But then, foreign trade is the responsibility of the Central Government and not the State Government.

SHRI INDRAJIT GUPTA : They cannot do something without consulting the States.

MR. SPEAKER : That has to be examined.

SHRI INDRAJIT GUPTA : Sir, we will head for a lot of trouble in this country if we go in for that kind of a thing. Anyway, what I say is that there is still time, not much time; little amount of time is left. This discussion is being held at the instance of the Government. The Government had said that they want this discussion and they want to profit by the suggestions and the views of the Members. So, the

Members have expressed themselves here as freely as they can do. We would like to know the Government's response. They should at least try to respect some of the serious views, criticisms and apprehensions; expressed by the Members from different sections of this House and then move forward. Otherwise, it would be too late.

SHRI SOMNATH CHATTERJEE : Mr. Speaker, Sir, you have been kind enough to put certain questions and they are very important. The whole country is involved. Our understanding is that after 15th of December, there is no scope for any negotiation at all. We may sign within one year. There is one year time to sign or not to sign. There is no scope for any negotiation after 15th of December. Is there any scope for any negotiation till 15th of December or for one more year ? This is the matter, which should be clarified. On that, there are certain impressions. I have not been able to understand whether our country would be able to negotiate with them on the basis of the suggestions made here. But, no option is left. That is our understanding. Let the Government clarify this.

*(Interruptions)*

SHRI NIRMAL KANTICATTERJEE (DUMDUM) : Sir, you can also enlighten us. *(Interruptions)*

MR. SPEAKER : I have explained to you the procedure, which is followed.



SHRI SOMNATH CHATTER-  
JEE : That is for ordinary Treaties.

*(Interruptions)*

MR. SPEAKER : This a multi-  
lateral Treaty.

SHRI SOMNATH CHATTER-  
JEE : Sir, one Minister is here. Let  
him tell us now.

MR. SPEAKER : They will ex-  
plain it.

SHRI SOMNATH CHATTER-  
JEE : On the basis of this, there can  
be formal discussion. *(Interruptions)*

MR. SPEAKER : That is the  
point on which the Minister will  
enlighten in his reply.

*(Interruptions)*

SHRIMATI GEETA MUKHER-  
JEE (PANSKURA) : Mr. Speaker.  
Sir, you have been kind enough to  
send me, Shri Mani Shankerji and  
others the North-South dialogue,  
which took place. Now, in that  
dialogue, I must say that almost all  
the Third World countries were with  
the same idea.

MR. SPEAKER : Which idea ?

SHRIMATI GEETA MUKHER-  
JEE : This GATT business.

MR. SPEAKER : That means  
what ?

SHRIMATI GEETA MUKHER-  
JEE : They do not want to be on  
our head.

MR. SPEAKER : This is exactly  
what I am saying. If you have the  
strength, you get the strength out of  
the unity.

SHRIMATI GEETA MUKHER-  
JEE : They were of this opinion.  
Why should we think that we are  
alone ?

*(Interruptions)*

SHRI NIRMAL KANTI CHAT-  
TERJEE : If we surrender, this  
unity cannot be built.

SHRI MANI SHANKER  
AIYAR : Mr. Speaker, Sir, I was  
elected as the Rapporteur of that  
Conference. So, it fell upon me to  
prepare that report. Firstly that  
report urges that multi-lateral nego-  
tiations be concluded as soon as  
possible and secondly that we pro-  
ceed to the establishment of MTO.  
I do not remember any phrase in  
the document, which came from  
there, which suggests what Geetaji  
has just suggested.

*(Interruptions)*

SHRI SOMNATH CHATTER-  
JEE : Sir, why is the Commerce  
Minister not here ?

MR. SPEAKER : He was here.  
He has a Planning Committee  
meeting. He has asked the other  
Minister to take notes.

*(Interruptions)*

SHRIMATI GEETA MUKHER-  
JEE : Sir, Shri Mani Shankar Aiyar  
has said something very funny.

*(Interruptions)*

SHRI SOMNATH CHATTERJEE : That is his patent.

(Interruptions)

SHRIMATI GEETA MUKHERJEE : Sir, now Shri Mani Shankar Aiyar agrees with what I have said just now.

MR. SPEAKER : Now, Shri Rabi Ray.

SHRI RABI RAY (Kendrapada) : Mr. Speaker, Sir, I am very happy that you are yourself taking interest in this important topic. When talks were on to accept the Dunkel proposals all the Members of Parliament were of the opinion that if we accepted these proposals, we would lose the sovereignty of our nation, we would lose our freedom and we would lose everything we achieved by sacrificing everything in the freedom of struggle. That's why all of us here submitted a memorandum to the Prime Minister by rising about the party interests. This memorandum had been signed by 250 Members of Parliament and we have also decided to keep this discussion away from the partisan interests and with the same intention we had decided to start this discussion on it from yesterday.

Mr. Speaker, Sir, I am distressed to say that though the discussion of this topic had started with great hopes yet it is not being discussed in the House properly as it should have been. We charge the Government that the Parliament had not

been taken into confidence regarding the talks that had taken place at Geneva. I am saying it because the Government has not been very clear about it right from the beginning. The Government had constituted a Committee under the Chairmanship of a Cabinet Minister, I will not name him. But the Government did not refer the complete details of the Dunkel proposals to the Committee and that is why the committee was dissolved.

Most of the Members from this side are raising more objections because it concerns the future of the country. That's why we are worried. In view of all the restrictions I would like to put one thing before the House. I just felt that while speaking they do not differentiate between the two words—freedom and slavery, whereas the meaning of both the words is as apart as are North Pole and South Pole. I got this impression from the speech of a veteran congress Member who spoke yesterday. I do not want to name him.

Mr. Speaker, Sir, I would like to change the direction of this debate because whatever we say here is based on the legacy of 'Swadeshi', self-reliance and employment that we have received from our national freedom. I would mention all these three in particular in my speech. I do not want to mention the name of Mahatma Gandhi now, though, I will do so later on. These are the three philosophies we have

got. I would like to mention the name of a great leader and the first Prime Minister Pt. Jawahar Lal Nehru in this context because as I had said in the beginning that I felt distressed because we get this impression from their speeches as if both the words, i.e., slavery and freedom, are synonyms. I will cite an example here. The veteran congressman who spoke yesterday should well have been present today. When Pt. Jawahar Lal Nehru was leading the freedom of struggle in 1940, around seven years before becoming Prime Minister. He had said:

We do not believe in a rigid autarchy, but we do want to make India self-sufficient in regard to her needs, as far as this is possible. We want to develop international trade, importing articles which we cannot easily produce and exporting such articles as the rest of the world wants from us. We do not propose to submit to the economic imperialism of any other country or to impose our own on others. We believe that the nations of the world can cooperate together in building a world economy which is advantageous for all and in this work we shall gladly cooperate. But this economy cannot be based on the individual profit motive, nor can it subsist within the framework of imperialist system. It means a new world order, both politically and economically, and free nations cooperating together for their own as the larger good."

[*Translation*]

We believe that all the popular leaders of our freedom struggle besides Mahatma Gandhi fought against all type of evils. They had presented a philosophy before us. If we accept it as a criteria then all our debate on Dunkel proposals should be based on that philosophy.

We are Members of Parliament. We cannot overlook the voice raised outside the Parliament. The farmers and the whole nation are of the opinion that we will have no future after signing the Dunkel proposals. We should give attention to that also. That's why we should be careful in signing this agreement. When Shri Indrajitji was speaking you had raised a question. The question is that we should accept the alternative before us. As per Pt. Jawahar Lal Nehru we will not accept anything that goes against our philosophy of self-reliance and 'swadeshi Swaraj'.

The watershed has been going on since 1986. When America felt the need to have a market, their competition started with the European Community and the America has given a new dimension to the whole multilateral debate that had taken place.

[*English*]

The U.S. President, Reagan, signed the omnibus Trade and Competitive Act of 1988 which strengthened the ability of the United States' trade representative to retaliate against countries for unfair trade practices, including

alleged inadequate protection of intellectual property rights.”

[*Translation*]

We have to keep this background in mind that we have lost a lot of things since when we had participated in the Uruguay round talks on 4th April, 1989 and the present Minister of External Affairs who was the then Minister of Commerce is well aware of the developments. I can challenge that India did not get anything during these six years. We have lost many things. We kept losing but did not get anything. It is very distressing. People who were working on it did not think of Pt. Jawahar Lal Nehru, they did not think of the Directive principles of the State Policy and the fundamental rights of the citizens. They kept committing mistake after mistake. We are distressed to say it. The East India Company had come to our country and it ruled our country for 180 years. The International Monetary Fund, World Bank and GATT Institution etc. are not leading agencies. A grave conspiracy is being hatched against the developing countries of the Third World. It is a conspiracy against those who had fought against English Imperialists. They want to end the employment of that place.

Our Finance Minister introduced globalisation, liberalisation policy. New industrial and economic policy was introduced. It was said that:

[*English*]

“Slogans of Swadeshi will ruin the country.”

[*Translation*]

Our Finance Minister had nothing to do with our freedom struggle nor did he take part in the freedom struggle. He does not know anything about Satyagrah or Varodoli Satyagrah. Since we are talking about south-North. I would like to quote something in this regard. The hon'ble Finance Minister is a renowned Economist. When our Finance Minister was the Secretary of South Commission and Hon'ble Julius Nyerere was the Chairman, I would like to read a Report of that time. May be he had written it with a neutral stance, nevertheless, I would like to read it.

“Grave doubts exist concerning the theoretical validity of some of the key prescriptions now involved in conditionality. Their economic and social effects have, in a number of cases, been highly adverse. Monetary programming has frequently led to excessive idle capacity and rising unemployment. Financial liberalization in conditions of inflation has led to aggravation of inflation. Insistence on the elimination of selective economic policy measures has aggravated the maldistribution of income. Insistence on import liberalization in periods of pressure has led to aggravation of balance of payment deficits and frequently to devaluations to a degree greater than would

be needed otherwise. Insistence on indiscriminate expansion of exports of primary products in many countries simultaneously has led to more than proportionate price declines and thus to declines in the value of primary exports of developing countries as a group. Insistence on free trade irrespective of country conditions has led to many conflicts with national development strategies.

[*Translation*]

He has presented three budgets since he became the Finance Minister. Has he ever thought of implementing this also? I respect him, everybody here respects him but his mentality is dangerous for the country. As a result of this mentality the members of Parliament have no doubt in their mind to the fact that the concerned file will definitely be sent on the 15th and the Government will sign the Dunkel proposals afterwards. The intellectuals may have this suspicion in their minds and the Government is answerable that they have not taken any steps or given proof to remove this suspicion or disprove it. I am not levelling a charge, I am saying it because I am worried. That's why I am mentioning it here. Shri George Fernandes is here. When he was the Minister of Industry in 1977 as per his assertions, Coca cola had invested Rs. 8—10 lakhs here in India and when he had become the Minister of Industry, and ordered for closing the coca cole in India, the company

repartriated as amount of Rs. 21 crores.

(*Translation*)

It was served a notice to quit India and it was a successful notice. I am not talking about the repercussions following the signing of the agreement. I am only pointing out that the Government should take into consideration the prevailing circumstances in the country before it signs the Agreement. This is my real concern. The Government should understand the real sense of the basic principles of the Dunkel Proposals before signing it. The real sense of these proposals is to destroy our base of 'Swadeshi' and self reliance and to shatter the opportunities of employment and this Government has been doing all this gradually in a phased manner since July, 1991. As you all are aware of it that with the commencement of globalisation of trade our rupee was devalued by 22 per cent. After it FERA has been scrapped and the process of scrapping it, was started from July, 1991 Budget and the difference between foreign industrialists, industries and Indian industries ceased and now both are at par. In India, industries and cultivation are not merely a trade; they are also a part and parcel of Indian culture. They represent the way of our life also. Cultivation, small industries and cottage industries are a part of our culture. But it is very fortunate that a single directive made an end of our agriculture, small industries and cottage industries as it has been

accepted that our country is not in a position to look after agriculture and industries. Mr. Speaker, Sir, I would like to submit that you yourself and many of us are born in farmers' families and we have great respect for the farmers because we could be able to get rid of PL 480 due to their efficiency, hard labour and loyalty. By dint of their contribution we could achieve our such goal in 1977. In the light of all their efforts we will have to pay attention towards them who made us free from the clutches of PL 480. We should have to think as to what steps we may take to give them their proper reward and this is the responsibility of ours who are sitting in the Parliament.

The patent law was passed by the Fourth Lok Sabha during 1970 and Shrimati Indira Gandhi was the then Prime Minister. This Act was acclaimed as a Model Act all over the world and all the scientific achievements and pharmaceutical industries went on flourishing under it. I can see that since the advent of M.s. Carlo Hills, there is a constant threat of Super 301 for India. That is why I am submitting to you sir that the Patent Act of 1970 which has been in force here for the last 6 years is a subject to revision and it is worth to be noted that the Government calls it a model Act. The hon. Minister is sitting here. We had time and again urged the Government that it should give an assurance to the citizens of India through the Parliament that this model Patent Act of 1970 would not be modified

but the assurance was not given. My submission was only this much that the Government should give us an assurance that it would not bring about any change in the Patent laws of 1970. The purpose of the patent law of 1970 was to patent the process particularly the process in Pharmaceuticals Industry.

I would like to state something about the pharmaceuticals industry. Yesterday it was told here that the product patent would be raised to 45 per cent and I have the opinion of some experts that this percentage can be raised up to 1500 or 2000. They are pointing it out with proper documentary proof. Again it has been stated that with the enforcement of product patent, only 10 to 15 per cent pharmaceutical industries would be affected. But I have a note regarding M.s Hindustan Processing; it states that the industry would be affected by 42 per cent and all the pharmaceutical industries would be ruined by this process patent.

I would like to point out for your kind information that the claim that it would affect only 10 to 15 per cent industries is not correct. The figure would be much higher. Therefore, the experts state that the pharmaceutical industries of India would be affected badly by the time to come. They are also of the opinion that the process mentioned in the Dunkel Draft will be proved as product patent in future. In this connection an expert states.

[*English*]

I assert, with all humility, that there is no basis for this claim, no study, no data. On the contrary, an assessment made by the Indian Drugs Manufacturers' Association (IIMA) relating to effect of TRIPS on the Indian drug manufacturing shows that 40.18 per cent of anti-biotics, 40.18 per cent of cardio-vascular drugs, 65.92 per cent of anti-ulcerants, 55.30 per cent of oral anti-diabetics and 47.53 per cent of anti-asthmatics are today covered by product patent.

[*Translation*]

Thus they will be ready to accept the product patent and they have agreed to do so. Even after our repeated objections, the Government is not going to change its stand in this connection. I, therefore, am putting forth this issue before you. The Government has been doing it for the last so many days. I would like to tell you about the Cargill Co. Here I would like to explain as to how the Cargill Company functions.

[*English*]

Cargill is the largest of the six giant grain trading corporation in the world. It contains over 70 per cent of the world's trade in cereals. Together with the other corporations, it controls 85 per cent of US wheat export and 95 per cent of Australia's sorghum exports. Cargill's annual sales in 1989 registered US \$ 44 billion, 60 per cent higher than that

of the next corporation and 300 times higher than that of the third.

[*Translation*]

Mr. Speaker, Sir, Karnatak is your neighbouring State, and you know it as to how the seeds are sold there. You might be knowing about its consequence and this impact of its on the farmer also. I would like to point out to you that 15 thousand acres of land pertaining to the Kandla Port Trust was handed over to the Cargill Company for manufacturing salt and the orders to this effect was directly given by the Prime Minister's Office. I would like to bring to your notice that the Port Trust has opposed this move of the Government stating 25 reasons for its opposition and one of the reason is related to the Defence i.e. security of India. Besides these reasons, we have our different reasons for opposing this move. Gandhiji had started Salt Satyagrah from here. Now we have to launch another Salt Satyagrah at Gujarat, the birth place of Gandhiji after 50 years.

Shri George Fernandes, myself and other 10,000 persons went to jail for opposing this move because we came to know that about 2 lakh persons engaged in manufacturing Salt at that place would lose their livelihood because of taking over the work by M/s. Cargill Company. They are all poor labourers, they all will become homeless, jobless and will face starvation. Therefore, the dharna and Satyagraha were staged there for 3 months

continuously and after all the Advocate of M/s. Cargill Company had to submit on 27th September before the court that it was no longer interested. After that the Court has passed the orders, and then the dharna and Satyagrah ended. The people opposed the Company strongly and very surprisingly not a single argument could be forwarded in favour of the Cargill. What good can be done for the country by it? Rather it will endanger even the identity and pride of the country. It will shatter the hopes of employment; and this is all due to the multinational companies. You all must be knowing about the Bhopal gas tragedy caused by another multi-national Company M/s Union Carbide. Just 4 days ago, the Bhopal gas Tragedy anniversary was celebrated. What assistance has been provided by the Union Carbide Company to the victims.

[*English*]

At the twinkling of an eye, thousand people died.

[*Translation*]

And two lakh people are likely to die because of that accident. Nothing is being done for them. It is not known as to how long this case will remain in the court. It may take 8 years or even more time. I myself and this august House are deeply distressed. This issue has been raised several times here. I would like to express my thanks to the Judicial Magistrate of Bhopal who has asked the Managing

Director of the Union Carbide Mr. Anderson to present himself before the Court. But Mr. Anderson is under the protection of the Clinton administration. The multinational Company has got the support of the Government of America. Therefore, the majesty of law, the law in India is unable to summon him in India. The Government of India should present him here. But in spite of our repeated requests no action is being taken in this regard.

Mr. Speaker, Sir, today the Government of India is going to implement it practically. I am saying so because I have got evidence with me. I do not say anything without an evidence or documentary proof. Here is a note which reads as to how the Government has agreed to provide 51 per cent equity share to the multi-national companies. Here I would like to inform you as to how the multi-national Corporation would arrive here and digest all of our industries here.

[*English*]

“These apprehensions are based on some recent developments in the Indian corporate world. The Coca Cola Company of the U.S. has bought out Ramesh Chauhan's Parle. Adi Godrej sold off soap and detergent brands to Proctor and Gamble. Tata disposed off Tomco to Hindustan Lever. Vijay Mallaya of UB Group sold Kissan products to Brooke Bond. Texla TV has been bought by Goldstar of South Korea. Malhotras are in the process of selling their blade manufacturing



business to the U.S. Gillette Company.

Transnationals are also increasing their existing equity in joint ventures to 51 per cent or more making Indian partners a minority shareholder. Gillette has increased equity share from 40 per cent to 51 per cent in Indian Shaving Products of Saroj Poddar; Honda has raised its equity from 28 per cent to 51 per cent in Kinetic Honda; BP Solar International from 40 per cent to 51 per cent in Tata BP Solar and 3M Corporation from 40 per cent to 65 per cent in Birla 3M. Pepsi has increased its equity from 44.35 per cent to 91.4 per cent in Pepsi Foods resulting in the exit of Voltas from the joint venture. Electrolux also raised its equity from 12 per cent to 51 per cent in Kelvinator.

In many cases where foreign firms have been denied majority equity and managerial control they have walked out of the joint ventures. Royal Dutch-Shell ended its long partnership with Arvind Mafatlal when the latter did not agree to give Shell a 51 per cent stake in NOCIL. Swadeshi Match AB reduced its equity from 39.5 per cent to zero in Wimco joint venture. Similarly, Champion Spark Plugs, Facit AB Sedco Forex International, Chemtex Inc. and G.D. Searle reduced their equity in Modi Champion, Facit Asia, Hitech Drilling, Shree Synthetics and Searle India from 40 per cent, 26 per cent, 36 per cent, 9 per cent and 39 per cent, respectively, to zero."

These developments clearly indicate that multinationals are taking full advantage of 51 per cent equity decision. They are coming in a big way with international brands in Indian markets making survival of Indian brands a question mark. They are averse to a tie-up with Indian partners without having majority holdings and managerial control. They would not like to part with state-of-the-art technology without controlling stake.

[Translation]

Mr. Speaker, Sir, where shall we go? This incident took place before 15th of the month. I have no hesitation in saying that the Government is going to sign the Dunkel Draft to make this country a slave. What should be done by the Parliament and the public in such a situation. Prime Minister, several Chief Ministers might have analysed this issue but no one has raised the issue of employment. MNCs will increase unemployment. 13 crore people are already unemployed in the country. Several people call America a unipolar world and it can become an I.G. police at international level. Clinton himself launches an indigenious movement in his country. America has the largest international corporation of the world, which has retrenched forty thousand people. One can get sadistic pleasure out of such incidents but it was said by Clinton and his predecessor Bush and I was shocked to know about it. Both have visited Japan to promote the sale of cars and

when the Prime Minister of Japan refused it, President Bush fainted during the banquet arranged by the Japanese Prime Minister. Crores of farmers and young people look to Parliament for solution of the problem of unemployment and now the Dunkel proposals have ruined their hopes. We have discontinued the policies of Nehru and Gandhi and forgotten the feelings of indigenouness, self-Government and self-reliance. Just now Shri Indrajit was asking if we would become a banana republic.

Mr. Speaker, Sir, you are our protector. The preamble of the constitution says that ours is a sovereign, democratic, socialist and secular country. We all have taken oath by the Constitution. I would like to say that today the situation is different and political leaders cannot think about the country while sitting in the Assembly. The Government has decided to sign the Dunkel Treaty, which has been revealed in various statements made by it. It is an American newspaper 'Newsweek' and you all may be reading it. In comparison to American standard of living India has only 3-5 per cent people, who belong to high class. These are already covered in the consumer culture, for them C.N.N. and Star T.V. have also been introduced. The newspaper writes that they want jobs. I would like to read out a sentence from it. It is a capitalist newspaper of American establishment. It writes about the condition of

America, from which we are borrowing knowledge.

[*English*]

"Millions are out of work; precious talent has been wasted and dreams are dying. What can be done?"

[*Translation*]

So, Mr. Clinton visited Japan but Japan told that she would not import even a tonne of rice from U.S. The way in which this Government is functioning over the Dunkel Draft and the way in which it has warned the representatives at Geneva, it seems that the Government is taking part in the conspiracy to make this country a slave. It has been said that we would be isolated. In this regard I would like to ask, whether we were isolated when we struck over the issue of non-proliferation Treaty. It was a decision of the Parliament and the country. This will hurt our feelings if it is accepted. Let us suppose that each and every clause of Dunkel Draft is against the feelings of the Constitution, existence, self-employment and the feeling of indigenouness then no one will press to sign it.

Under the leadership of Gandhiji we launched a national movement and fought for the freedom of the country. Several Latin American countries have become free by adopting the same method. We cannot ignore this point. So, it is our duty to think over it again. We fought for freedom under the leader-

ship of Gandhiji and fough-against dictatorship under the leadership of Shri Jai Prakash, and now we have to launch a third movement to continue this indiginous Self-reliance. Dunkel proposal is creating hurdles in it, so this country has to take decision on the issue. We will not accept it as basically it is against the feelings of self-reliance and indigenouness. I would like to say that the country should be instructed that on the coming 15th of this month, the whole country and the Parliament will decide collectively not to sign the Dunkel Draft.

**SHRI SOMNATH CHATTERJEE :** Please let this debate be continued for tomorrow also because it is a sericus matter.

[*English*]

**MR. SPEAKER :** Well, I think there are a few other Members who wish to speak; whosoever wants to speak, they can speak today.

[*Translation*]

Other business is also pending so all the Members who wish to speak on it for any time can speak today as long as they wish.

[*English*]

**SHRI P.G. NARAYANAN (GOBICHETTIPALAYAM) :** Sir, the Uruguy Round negotiations broke down in December 1990 mainly on the issue of phasing out of agricultural subsidies. The negotiations were reviewed in 1991, but with differences on key issues remaining unresolved.

The Director General of General Agreement on Tariffs and Trade (GATT) Mr. Arthur Dunkel presented a draft final treaty as a basis for countries to clinch the negotiations in a final stint. As many as 108 countries taking part in the Uruguay Round agreed to make the Dunkel package a basis for finalising a multilateral accord with the deadline set for April 1992.

Leading nations both developed and developing ones like our country have expressed strong reservations on the Dunkel proposals one or the other.

According to the Dunkel draft, the results of the Uruguay Round would ensure an expansion of market access to the benefit of all countries as well as a framework of strengthened multilateral disciplines for trade. The Dunkel proposals embodied in the Draft Treaty now before the Government and the key areas are, Agriculture, Textiles, Clothing, Services, Rule Making, Trade related investment measures; Trade related intellectual property rights, market access; services and Institutional matters.

The intial response on the Dunkel Package from some organised industries in United States and the East European countries and Japan was not encouraging, yet all have agreed to continue the negotiations. This is indicative of the fact that the text prepared by Mr. Dunkel is not for take it or leave it, as it was earlier believed. In fact it is for negotiation and negotiations would only provide

an opportunity for countries to press for their line of thinking. Therefore, one should not view the text with the only option of accepting or rejecting it, but one should examine it with an open mind and we must try to negotiate further for as much favourable features as possible and then decide whether final outcome is favourable or not.

I would like to briefly comment on the implications on the key areas of the Dunkel proposals.

The present trend of the Government seems to have gone on the offensive with respect to the Dunkel Draft. Suddenly, there are banner headlines and prominent interviews that India would not accept the patenting of seeds. The Commerce Ministry claims that the rights of our farmers and researchers will be protected fully if we accept the Dunkel Draft. These statements are deliberately misleading. The farmers whose traditional rights include the right to save, modify and sell seeds, will be severely handicapped by the conditions of the Dunkel Draft.

The Impact of the Dunkel proposals on agriculture too has raised a lot of apprehensions in the first instance in the question of subsidies

for this sector, but there is little for India to fear. Then there is the major concern about the rights of farmers to retain seeds for their use.

On the question of subsidies, the Draft proposes that the developing countries which have an aggregate support level of upto 10 per cent for the individual agricultural products are exempted from making reductions in subsidies. In the case of India, these support levels are below six per cent of the production of the crops for which they are targeted and hence reductions in subsidies will not be applicable.

The other area of controversy is in regard to the rights of the farmers to retain a part of the crop for use as seed in subsequent crops. As the Draft stands today, this is indeed the case and India is said to be negotiating for a textual change in the Draft to make the farmers' right explicit. The Government's contention is that farmer's rights will not be affected because the "limited non-commercial exchange of seeds in the village and Trade Rules community" can be retained. This is intentionally misleading. The fact is that Indian farmers do not engage in limited exchange of seeds.

As regards textiles, the Draft package provides for phasing out of the multi-fibre arrangement over a period of ten years. From our point of view, effective integration would only be possible in the seventh year which will be very unsatisfactory.

As regards drugs, not more than 30 per cent of our country's population has access to modern health care, including modern medicines. Prices of medicines in our country are among the lowest in the world. If Dunkel package is accepted with out any qualification, it is inevitable that prices of drug will go up. The Government, on its part has acknowledged that the Draft proposals would necessitate a complete revision of Indian Patents Act, 1970. It accepts the fact that drug prices will shoot up. If the Government is in favour of a multilateral trading agreement, it can be done only after safeguarding the rights of the people.

These implications will translate directly into the balance of payment effects, domestic production of price effects and even impact on the legal system also. In terms of balance of payments, there is first of all, the threat to many items of Indian exports, such as drugs and pharmaceuticals also.

On the whole, the Dunkel Draft is a package which either is to be accepted or rejected. Picking and choosing on a large scale is not pro-

vided for and it is for the Government to decide whether to accept it or walk out of the GATT system.

The second option would mean opting out of basic rules and regulations with consequent effects where India's international trade would have to be conducted with each and every country on the basis of bilateral agreements where more concessions maybe extracted. In view of these developments, it is difficult to accept the version that our making unacceptable compromises with respect to the Dunkel Text will guarantee protection against unilateral pressures. This Government has a duty to the people to do all it can to defend their interests. It should fulfil that role, instead of indulging in propaganda.

18.00 hrs.

So it is our considered view that the Government should re-negotiate after identifying all the unacceptable points on the various proposals in the draft package, which we could just not accept in their present form, because its acceptance may result in curbing our country's economic sovereignty and interfere with our economy and frustrate the pursuit of its development priorities.

With these few remarks, I would urge upon the Government to have a more pragmatic and dispassionate approach to the proposed changes in the General Agreement on Tariffs and Trade Rules.

SHRIMATI MALINI BATTACHARYA (Jadavpur) Sir, we come to this discussion at the very last stage of the GATT negotiations. One of the basic questions that we would like to know has already been voiced by hon. Mr. Somnath Chatterjee. We would like to know whether after the 15th of December any negotiations at the GATT table would be possible or whether the doors for negotiations are already closed and the delay is only a technical delay in making a signature to a prepared document. Because if the 15th of December is the last date for negotiations, if no negotiations can be held after that, then this entire discussion that we are having here today is infructuous. On the other hand, if it is possible to continue negotiations beyond the 15th of December, I can still see some meaning in this discussion. In that case, one would urge upon the Government to have—on the basis of this discussion—a certain review of what it has already discussed at the GATT table.

18.03 hrs. (*Mr. Ram Naik in the Chair*)

The hon. Mr. Chidambaram yesterday spoke at a great length. It seemed to me that what his speech lacked in matter, he made up for in subtlety. There is a certain subtlety in that speech. What did he say? Mr. Chidambaram was talking of a cruel and unequal world in which we live. He was saying that living in this world, we have to play the game and we have to derive hard bargains. We agree with Mr. Chidambaram that it is a cruel and unequal world in which we live. And, therefore, it

is necessary for us—countries like India with a substantial number of people, who live below the poverty line, to make our bargaining positions really hard.

However, this is precisely what is lacking in the Government's standpoint. Where is the hard bargaining? We do not see any hard bargaining. Rather, as it has been pointed out, for the last couple of years or even for the last three or four years, we have gradually found the Government submitting to signing on the dotted line that has been offered by the Dunkel draft.

There has been no bargaining position at all on the part of the Government and therefore, now that the Government has somehow convinced itself that it has to sign Dunkel Agreement, instead of trying to convince the members of the GATT about the Indian position, they are trying to convince us, the Indian people, of the absolute necessity of accepting the Dunkel Draft.

Now, he has said that we live in a cruel and unequal world and that we have to play the game. Let us see what the game is. What is the game that is being played by the Government? That is the question that we want to ask. A background note had been circulated by the Commerce Ministry several months back. In the meantime, we are told that there had been several rounds of discussions at many levels but has there been any change in the position of the background note which is

largely favourable to the Dunkel Draft? We do not think so. There has been no effect of the discussions on the position of the Government as embodied in the background note supplied by them. Rather we have found, in the last couple of years or so, the alarming speed that has been adopted by the Government in changing certain policies and bringing our national laws on par with these changes in policies. One area in which we have noted this change in policy, is of course, in the public distribution system. Changes have been proposed in the public distribution system. If you look at the Dunkel Draft and at the clauses on public stock holdings for food security purposes and the clauses on domestic food aid you will find that the proposed changes that the Government has made regarding the public distribution system are absolutely in line with the Dunkel Draft. Also, in the last session, certain changes were proposed in the drug policy. Even here, we find that the changes that were envisaged were withdrawal of compulsory licensing or attenuation of compulsory licensing at any rate and attenuation of the DPCO, the Drug Price Control Order. All these things were done without considering whether national research and development needs this uncontrolled access that is being granted to foreign companies, the multinationals. So, we have found these very rapid changes in the policies. We have also found changes in policies relating to foreign investment; laws are being upgraded in tune with them. Now, it seems to me that so far

as signing of the Dunkel Draft is concerned, if it had been merely an international commerce treaty, if its domain had been commerce alone, then ratification by the Parliament might have been foregone at a pinch. The Government that have, if it had wanted, signed the treaty without consulting the Parliament. But the point is that the Dunkel Draft includes not only commerce but certain other very important areas which had not been included within GATT before this. If the Dunkel Draft is signed, then this will not be just a commerce treaty.

But domestic laws, viz. laws at the national level, laws at the state level, labour laws, land laws and so on have to be changed after the ratification of the Dunkel Draft. It is precisely for this reason that the approval of Parliament is needed. Without the approval of Parliament, these changes in domestic laws cannot be achieved.

If the policy structure is already changed, if the system is already geared to respond to the Dunkel Draft, then the whole thing becomes a fait accompli. Then, Govt. can argue that we are signing the Dunkel Draft not because there is a certain pressure upon us from outside, but because there is an inner need. Then Govt. can put forth this 'inner need' argument because our economic system is already changed and our commerce system is changed and our investment pattern too is changed. If all these things are changed even without any law being changed, then you can argue that the signing of the

Dunkel Draft and change in laws that it entails is very much in tune with the inner need of our country. It is precisely this inner need argument that Shri Chidambaram had been placing before us.

However, in actual practice, we find that the policy of import substitution that had been followed by our country subsequent to Independence is now being replaced by the so called outward oriented policy. It is being said that we are changing over so that we can integrate into the world economy and it seems that this integration into world economy must be achieved even at the cost of the domestic market within which a space for exports and imports is always provided. But all that is being bulldozed and we are being given a glorious picture of an export-oriented policy, a globalized policy, as if that is an end in itself, as if globalization means transformation of this earth into a paradise, as if by being export-oriented India's economic problems will all be solved.

However, as my other colleagues very efficiently argued, export orientation does not necessarily mean that the effective position of the majority of the people in this country is going to be changed for the better in any way. In fact, certain kinds of export orientation may lead to the deterioration of the domestic market.

**MR. CHAIRMAN :** Please conclude. You have already taken 15 minutes.

**SHRIMATI MALINI BHATTACHARAYA :** Please bear with me. Sir I have a few more points to make. 2560 LSS/94—41.

We find that an export-oriented policy is being encouraged. But this export-oriented policy does not take note of the domestic market. It is very logical that we are reminded of the days of East India Company when food crops were replaced by cash crops, when cultivation of rice was replaced by cultivation of indigo and all the adverse effects it had on the food situation in the country and on the economic situation of the Indian farmer. So, in this way, orientation is altogether being changed so that the refusal to sign the Dunkel Draft may be seen as a disaster.

We have been told by Shri Chidambaram that at least from this discussion we can come to an agreement on a minimum number of points. I think that we are very far off from that minimum basis of agreement and get let us take a brief look at certain points which had been made by the Commerce Ministry itself in its Background Note regarding the modifications that it said it has sought in the Dunkel Draft. We would like to have specific answers from the Minister as to what has been the progress: whether any breakthrough has been achieved in those areas where according to the Background Note of the Commerce Ministry certain modifications were being sought. I would just refer for brevity's sake to three or four points.

First of all, one of the areas in which India has some proposals for modifications is in the multifibre agreement. From what Shri Chidambaram said yesterday, it is



very clear that India's suggestion regarding the phasing out of restrictions have not been accepted so far and India has been unable to gain any advantage. So, one positive point, one point of modification which could have been achieved by India has not been achieved, and, therefore that is one negative point against signing the Dunkel Draft.

Secondly, another area in which India was seeking modification was with regard to pipeline protection; in the TRIPS draft, the intellectual property agreement. According to the TRIPS draft, even before patents been granted in India, from the date when the GATT is enforced, products for which patent application has been filed, cannot be marketed in India. This is the pipeline protection and India has been seeking deletion of this phrase according to the Commerce Ministry's Background Note. I would like to know from the Commerce Ministry whether any positive results have come out of those negotiations; whether the developed countries have agreed to give up this clause about pipeline protection.

Another point on which again we had been assured by the Commerce Ministry that they were having negotiations was on this question of working patents. According to the Dunkel Draft patent importation has to be accepted on the same level as the working of patents and, therefore, this means that a certain multinational company instead of producing those drugs which it can produce in our country will import them without any bar whatsoever. The Back-

ground Note had assured us that India is having talks about that. We would like to know whether on this point there has been any positive breakthrough; whether India has been able to get any assurance that patent importation will not be accepted as the same as working patents.

The third area is regarding this public stock holding of food and domestic food aid. Government admits in the Background Note that the language may give an impression that the public distribution system in India may be affected. Of course, one does not see any ambiguity in the Dunkel Draft. It is very clear. It is as clear as day light that our public distribution system is going to be affected.

Yet, the Government had admitted that the language is somewhat ambiguous and they would seek clarifications.

With regard to this, three changes had been sought in the Draft. I am quoting from Page 8 of the Background Note of the Commerce Ministry :

"(1) Additional flexibility in respect of all products specific support so that our domestic support programmes remain unaffected in the long run, (2) Exemption from requirement of providing minimum market access even after balance of payment's constraints no longer applied, and (3) Making explicit that the Public Distribution System and consumer food subsidies in India would remain unaffected."

I want to ask the Ministry whether any clarification on any one of these three points have been obtained. If not, then how can you suggest, how can you say that the Dunkel Draft has to be signed on the dotted lines as dictated by the developed countries. What assurance is there, what safeguard is there for us, if you have not been able to get this assurance.

Again in the TRIPS draft, the Government has assured that a sui generis system for plant life protection will be adopted. According to the Dunkel Draft, the micro-organisms are not excluded from patentability. What is meant by micro-organisms? On this, a clarification has been sought.

Yesterday, the phrase that was used by Mr. Chidambaram was that 'naturally occurring life forms' are not patentable. However, this phrase 'naturally occurring life forms' is not clear enough. This also has to be clarified.

As we know, there was a case in the U.S. Supreme Court in which Mr. Ananda Mohan Chakraborty and General Electric succeeded in getting the U.S. Supreme Court to grant them a patent for genetically modified micro-organisms in spite of the fact that a U.S. Patent Office rejected the claim and the U.S. Patent laws prohibited the patenting of life.

Now, here, the modification of a life form is seen as creation. The Supreme Court has interpreted modification as creation. If this is allowed, then, of course, the phrase 'naturally occurring life forms' be-

comes very debatable. It does not mean anything at all and it has to be further clarified. We would like to know whether clarification has been obtained or not. If not clarification has been obtained, then say, no, to Dunkel.

Then, it has been said that they would adopt some sui generis system. Now, this sui generis system, according to Dunkel Draft, has to be an effective sui generis system internationally. Let me point out that it is the 1991 UPOV alone which is regarded as internationally accepted and internationally effective sui generis system. As Mr. Chidambaram has himself said that it is the earlier UPOV which has some protection for the farmer's rights not the later UPOV. But, we have to accept UPOV, 1991, if we accept this clause on sui generis system.

My last point is that much has been said about multilateralism and bilateralism. I just want to say a word or two about that. It has been said that multilateralism is more advantageous for us than bilateralism. As other speakers have pointed out, this is not invariably true. Multilateralism at the cost of national independence, at the cost of self-sufficiency is something which cannot be accepted. But I will make a different point. Multilateralism has been embedded in the body of pre-Dunkel Draft GATT in the form of what is known as article 18. This article 18 embodied certain special rights which were given to the developing countries—special and differential treatment for developing countries was embodied in article 18. So, the

countries which have a certain balance of payment problem were allowed to maintain a degree of protectionism not to be compared with the kind of protectionism that is exercised by the developed countries themselves. But anyway, some degree of protectionism was allowed by article 18.

Now the Dunkel Draft hits at the very base of this multilateralism which consists in the acknowledgement of the rights of developing countries by making a differentiation between developing and the least developed countries and with drawing some benefit for the former. The TRIPS and GATS are given in Annexures. We should like to know whether these should be treated as a separate agreement or should they be regarded as part of GATT? If they are regarded as a part of GATT, then India can surely press for the acceptance of article 18 in the case of GATS and TRIPS as well which would ensure some degree of protection for a developing country like ours. This pressure might have been exerted, but it is not being exerted. If it is said that TRIPS and GATS are not part of GATT, they are separate agreements, then, of course, we can sign GATT without signing TRIPS and GATS. That possibility is also there. So, we would like to have a clarification on what is its status now.

Now with the Dunkel Draft hovering over us, what is the position of article 18 and how our interests are protected still under article 18? This is something which has to be questioned but it is not being questioned.

I think the other point, the other aspect of this multilateralism is what has been called 'multitrade organisation', the MTO to replace GATT. Now, it has been said that this will not lead to any detrimental effect on our economy or on our national integrity because this clause of cross retaliation will be acceptable only after appeal at an international multilateral body.

Now I would like to know, considering the people who have got a strong hold in the GATT, whether in the case of a very powerful country, seeking to retaliate what would be the position? A tiger seeking permission to devour a lamb from a consortium of predatory creatures! If that is the case then of course a multilateral trade organisation cannot be any safeguard, for India's interests.

In the end, I would like to ask about these cross retaliatory measures. As a matter of fact, these cross retaliatory measures will come because we have no investment, we have no intellectual property to give to the global areas so to speak; what we have is trade in goods. So, eventually, in order to retaliate, if anyone wants to retaliate, trade in goods will be affected and cross retaliation will be effective in the case of India.

So, I would like to know from our representatives at GATT whether they have asked the United States representatives whether they would be willing to remove the bilateral punitive measures like Super and Special 301 from the statute book when the Dunkel Draft has been signed. They will not agree. Super 301 and Special 301 will remain in the United States

statute book. They would talk of the 'best endeavour'. But why can we not do the same? Let us say that we will endeavour our best to see that the clauses of the GATT agreement are maintained. We can talk of the 'best endeavour' and there may be some leeway. Therefore, legislative changes which are violative of the Constitution must not be passed in Parliament by sheer force of numbers.

With these words, I would like to say that if this Dunkel Draft is signed, then the last hopes for the development of not only our own industry but also development of our domestic markets will be jeopardised

Thank you.

**MR. CHAIRMAN :** The Home Minister wants to lay some papers on the Table of the House.

15.33 hrs.

**PAPERS LAID ON THE TABLE—**  
*Contd.*

Proclamation issued by the President in relations to the State of Madhya Pradesh.

**THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P.M. SAYEED) :** On behalf of Shri S.B. Chavan, I lay on the Table a copy of the proclamation (Hindi and English versions) dated the 7th December, 1993 issued by the President under clause (2) of article 356 of the Constitution revoking the earlier proclamation issued by him on the 15 December, 1992 in relation to the State of Madhya Pradesh published in Notification No.G.S.R.734(E) in Gazette 2560 LSS/94—42.

of India dated the 7th December, 1993, under article 356(3) of the Constitution. [Placed in library. See No.LT 4627/93]

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

15.33½ hrs.

(Contd.)

**MR. CHAIRMAN Dr.:** Ramkrishna Kusmaria.

**SHRI NIRMAL KANTI CHATTERJEE (DUMDUM) :** It is quite cold outside and the members are not protected. On that ground at least we should adjourn.

**MR. CHAIRMAN :** It is warm inside. Let us enjoy the warmth up to 7.00 p.m.

(Interruptions)

**MR. CHAIRMAN :** I must explain the position which the Hon. Speaker has mentioned when he left the Chamber, that those who want to speak may speak and the discussion should be over today. The hon. Minister will reply tomorrow. That is the position, I am telling you.

(Interruptions)

**SHRI NIRMAL KANTI CHATTERJEE :** Now you are in the Chair. You can modify the earlier decision.

**MR. CHAIRMAN :** That is why I will continue up to 7 o'clock and then take the sense of the house. Then we will adjourn if necessary.

Dr. Ramakrishna Kusmaria.

(Interruptions)