

[Translation]

SHRIMATI SURYAKANTA PATIL : Mr Speaker, Sir, today Nanded is a famous place all over the world. The people believing in Sikh religion from all over across the borders come to have a glimpse of tenth - guru. Today Nanded is surrounded by Gurudwaras. Whether the Government has any scheme to make this famous religious place as a tourist attraction centre so as to spread the message of the Guru all over the country ? If not, the reasons therefor.

[English]

SHRIMATI SUKHBUNS KAUR : Sir, Nanded has been identified as one of the pilgrimage centres and as soon as the Government of Maharashtra sends us any proposal, we will definitely consider it.

[Translation]

SHRI RAJNATH SONKAR SHASTRI : Mr. Speaker, Sir, Chandravati in Varanasi is a holy place for the followers of Jainism as well as the followers of Shiva of Hindu religion. Some remnants of Mahabharata period have also been found there. The Government of Uttar Pradesh has recently sanctioned Rs. 2 crore for the development of tourism there. However, during the last ten years, many tourists have been attracted towards this place. In Saidpur, which is located between Chandravati and Ghaziapur, remnants of Chandragupta Maurya era have been place as well as similar other places ? Whether it is a fact that the Government of Uttar Pradesh has also sought additional assistance for the development of both these places and the Union Government propose to sanction additional funds for this purpose in the near future ?

[English]

SHRIMATI SUKHBUNS KAUR : Sir, I do not have the details of this right now. But when it comes, we will definitely help.

Trade Agreement Under GATT

*683. SHRI RAMESH CHENNITHALA :
SHRI S.M. LALJAN BASHA :

Will the Minister of COMMERCE be pleased to state :

(a) whether some developed countries are seeking to link social issues like human rights, child labour, environment, health, etc. with trade agreement under GATT;

(b) if so, the names of such countries;

(c) whether India has taken up this issue with the developing countries; and

(d) if so, the result thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) to (d) : A Statement is laid on the Table of the House.

The US and some European countries raised the issue of the consideration of the link between international trade and internationally recognised labour standards (the so called Social Clause) in the last phase of discussions at Geneva prior to the Ministerial meeting at Marrakesh. Some developed countries like Canada, Japan and the UK had a different position. Almost all developing countries were not in favour of

the subject being considered by the WTO and the Marrakesh declaration contains no reference to it. However, it will be possible for interested delegations to raise issues of concern to them in the preparatory Committee of the WTO and decisions in this regard are to be by consensus.

On environment, a Ministerial decision was adopted to establish a Committee on Trade and Environment comprising of all W.T.O. members to study the relationship between trade measures and environmental measures in order to Promote sustainable. The interface between Trade and Environment had been under study in GATT since 1974.

[English]

SHRI RAMESH CHENNITHALA : Sir, though the whole world knows that the maximum damage to the environment has been caused by the developed countries, yet they want to put the blame on the developing countries for environmental degradation. The very idea of linking trade with environment raises a presumption that the developing countries are to be blamed for environmental problem and so through trade they want to punish the developing countries. In this context, I want to know whether India has taken any initiative in mobilising developing countries against any concerted action by the developed countries to create trade barrier in the name of environment and other social issues.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : Sir, so far the other social clause particularly the international labour standard is concerned, which was attempted to be brought as a part of the Ministerial declaration at Marrakesh, it was ultimately not included because most of the developing countries have pressed their

views and the Chairman while concluding and summing up the deliberations, pointed out that the various Ministers representing various countries have indicated these steps which are to be taken by the WTO.

So, he left it at that stage. It did not form part of the Ministerial Declaration.

As regards environment, it is a different matter. So far as environment is concerned, GATT is considering environment related trade from 1971 which I have indicated in the text of my statement also. The Committee was not functioning very effectively. Since 1990, the Committee has been actified. In addition to that, Agenda 21 of the Rio Declaration also indicated, to which we are a party, that WTO should constitute a group to look into the problems of the matters related to trade and environment. Therefore, the Ministerial Meeting at Marrakesh endorsed the decision for setting up of a Committee to look into this aspect. In respect of other matters which are referred to like the human rights, child labour and labour relations, some to them, particularly the labour relations, were raised by USA, France and by some of the Nordic countries. Even the developed countries also differ in that area. Already, the WTO is having a very heavy agenda. And one basic principle which was endorsed by most of the developing countries was that extraneous issues should not be brought to raise the non-tariff protection and to interrupt the free flow of trade.

SHRI RAMESH CHENNITHALA : Taking action against those countries under Super 301 by the United States is also hanging over us like a Damocles sword. I wanted to know, through you, Sir, what strategy the Government has adopted for countering the threat which goes against the spirit of multilateralism embodied in the GATT Agreement.

SHRI PRANAB MUKHERJEE : So far as unilateral action, particularly imposing trade sanction, is concerned, it will be subjected to the review of the WTO. So far as Special 301 is concerned, the hon. Member and the Members of this House are aware that we have been designated as a priority country under Special 301 over a couple of years. And in 1991, they withdrew GSP on certain products of our exports. But so far as GSP is concerned, the hon. Member is aware that it cannot be considered as a trade sanction because GSP is given by a country as its own voluntary assistance to promote the trade of the other country. It is not a part and parcel of the trade. It cannot be construed as a trade sanction or anything like that. But if the country is designated under Special 301 and if we find that some harm or injury is caused to our trade then we shall have the right to bring it to the notice of the WTO and the Disputes Settlement Mechanism will take its own course of action to settle the dispute.

SHRIMATI MALINI BHATTACHARYA :
But why is this Special 301 still there ?

[Translation]

SHRI S.M. LALJAN BASHA : Sir, in the 'Economic Times' of 17th last month, an article regarding migration of labourers was published. In this article, the American Government had raised an objection regarding education standard of Indian labourers. However, the industrialists of America had rejected this stands of the Government. It will close the opportunities and avenues for working of our labour abroad. It is a dangerous conspiracy of America against us by creating these hurdles. As he is going to US tomorrow, I would like to know from him whether he would make any effort to remove hurdles in free flow of our labour.

[English]

MR. SPEAKER : He is referring to the free flow of labour.

SHRI PRANAB MUKHERJEE : Sir, so far as movement of service givers is concerned, the position which we have taken and which we have suggested even in Marrakesh is that if WTO has to take up any new agenda, they should take up the movement of the natural persons who are the service providers because trade in service is under consideration of the WTO. Therefore, it is more logical that the WTO should on the movement of the free and uninterrupted movement of the natural persons who are associated with providing the services. And this position which India and some other developing countries have taken was contrary to the international labour standards. Therefore, this issue is already settled.

[Translation]

SHRI NITISH KUMAR : Mr. Speaker, Sir, when this issue was raised in this House, Members of all political parties expressed their concern over it. At that time hon. Minister had assured that if social clause would be especially included with international trade, we will not accept it. But now the formation of WTO is announced and the Government has authenticated the GATT Final Act. The Government has also accepted the social clauses which are before the Preparation Committee for consideration. It has been a policy of America that it start discussion and propaganda of an issue, which it wants to impose on people of the world. Discussion on Intellectual Property Rights was started in 1983, which became a part of GATT and included in Final Act. In the same way it is going to impose its policies regarding social clauses, labour standard and child labour. It was also included on the agenda of

Preparatory Committee. Keeping in view the style of functioning of US Government can you guarantee that it will not become a part of International Trade at a later stage after an open debate on it. Sir, through you, I would like to know that whether the Government is going to assure this House and the whole country that it will not let become the social clauses, a part of international trade. It will oppose this tooth and nail and take all the possible measures with other developing countries to avoid its practical implementation.

[English]

SHRI PRANAB MUKHERJEE : Sir, so far as the social clause is concerned, hon. Members are aware that in the later stage of negotiations, practically in the first week of December, at Geneva itself, the United States of America, France and certain other Nordic countries wanted that it should constitute a part of the Ministerial Declaration at Marrakesh, India and other developing countries opposed it. As a result of that, it has not formed a part of the Ministerial Declaration at Marrakesh. That is clear.

So far as PREPCOM or WTO is concerned, nobody is prevented from raising any issue. So far as Preparatory Committee is concerned, if any issue is being raised and if they want to accept it, it will have to be accepted through consensus; consensus means one individual member can even put a veto on it. At the PREPCOM stage, so far as our position is concerned, we have made it abundantly clear that we are not going to accept the social clause to be linked up with trade relations and this should not be used as a part of trade sanction or in other words, it should not be imposed giving rise to protectionism and protectionist policy in the name of international labour standards.

am aware of the two pending Bills - Harkins Bill and Brown Bill - in US Senate and House of Representatives. But, so far as the present indication is concerned, most of the developing countries here, particularly on this issue, do consider that the appropriate forum is ILO and it should not be brought within the purview of GATT at all.

SHRI MANI SHANKAR AIYAR : In view of the deteriorating significance of UNCTAD in international trade relations and the consequent effect this has had upon the unity of Group - 77 and the significance of the Group - 77, will the Minister please assure us that in WTO, India will take the initiative to ensure the establishment of Group - 77 in WTO, accord this new group - 77 in WTO the highest importance in our foreign policy and specifically our foreign economic policy; and thereby ensure that in the future we are able to rely upon the unity of the developing countries in a way in which we were able to rely on such unity in the negotiations of the Uruguay round ?

SHRI PRANAB MUKHERJEE : Sir, in fact, one informal group has already been set up in Geneva at the Ambassadorial level and they are having frequent consultations among themselves. I am talking of the developing countries. The hon. Member is aware of the sequence of events which took place before the Marrakesh meeting. When we had G-15 Summit here, in the declaration of the G-15 Summit this issue was highlighted. After that when we had the 50th ESCAP Session in Delhi, nearly 57 countries present here. They also expressed their views almost in the same way; and that got reflected in the Marrakesh meeting also. Therefore, this type of consultation and informal setting up of the group has already taken place; and I think it will have to be strengthened to ensure that the interests of the developing countries are protected in the WTO.

SHRIMATI MALINI BHATTACHARIYA:
Sir, the Minister has said in his answer that the Ministerial decision was adopted to establish a Committee on Trade and Environment, comprising of all WTO Members; and he has said in his reply that this is in accordance with the Rio Declaration. Now, I may point out that when the Rio Declaration was signed, the WTO was not in the offing. I have gone through the text of the Rio Declaration very carefully, since the Minister made the same statement in Rajya Sabha. I have not found anywhere that it has been said that the WTO should form a Committee to deal with environment. *(Interruptions)*.

MR. SPEAKER : No.

(Interruptions).

MR. SPEAKER : Please, let us not take up the time of the house in this fashion.

(Interruptions).

SHRIMATI MALINI BHATTACHARYA:
Sir, I am not taking up the time in that way.

(Interruptions)

MR. SPEAKER: The issue was mentioned in the Rio Declaration; the WTO was not in existence.

(Interruptions)

SHRIMATI MALINI BHATTACHARYA :
Yes. In that case, the Minister should say as to what was the purview of the UNCED. It is being now taken over by WTO. may I know whether the Minister has made any objection to that ? In relation to this. I have another question. The second part of my question is this. So far as the Social Clause is concerned, already non-trade related matters have been

included in the Treaty that has been signed. It is nothing new. There is a sanitary and phyto-sanitary clause which deals with environmental issues. So, within the discussion of the Preparatory Committee, why was it necessary to include the possibility of the discussion on social clause anew ?

SHRI PRANAB MUKHERJEE : If the hon. Member would have cared to read the last sentence of the statement itself, she would have found that I have mentioned there that from 1977, GATT is seized of the matter and a Committee in the erstwhile GATT is already dealing with the trade related environmental matters. The Committee has been activated in 1990 itself. *(Interruptions)*

SHRIMATI MALINI BHATTACHARYA :
That GATT is separate; WTO is separate, WTO is not GATT. *(Interruptions)*

SHRI PRANAB MUKHERJEE : WTO is going to be the successor of GATT. Therefore, they will have to take it up; even the negotiation was going on, this Committee was already functioning and Ministerial Declaration has endorsed it; there is nothing new in it. That is the point I have explained earlier.

[Translation]

SHRI ATAL VIHARI BAJPAYEE : Mr. Speaker, Sir, decision in W.T.O. will be taken on the basis of consensus. He also said that if any country wishes

MR. SPEAKER : He has said it about the Preparatory Committee of W.T.O.

SHRI ATAL BIHARI VAJPAYEE : We are talking about Preparatory Committee but if any country will use its veto power on a decision then how there will be consensus or unanimity. As Mr. Speaker has said that

there is difference in consensus and unanimity, veto can be raised by developing countries as well as by developed countries. If developing countries collectively form an opinion on an issue, a developed country can stop its implementation by his veto.

[English]

SHRI PRANAB MUKHERJEE : Sir, exactly this is the position. What is the job of the Preparatory Committee? The Preparatory Committee, will exist, say, up to 31st December. After 1st of January, WTO will come. In between from 16th April to 31st December, they will suggest what subjects WTO will take up when it comes into existence.

At this stage, if somebody wants that international labour standards should be included as the new agenda to be adopted by the WTO, any individual member can say it. Those countries who are members of the Preparatory Committee can say 'no' and that would not be taken up by WTO. Therefore, in the interregnum period, there is no possibility of this being taken up. In the WHO, anybody can raise it. According to the procedure of the WTO, it will be taken up.

PROF. P.J. KURIEN : Sir, the hon. Minister said that extraneous subjects, which are aligned to the GATT regime, with not be allowed to be taken up by us. Everybody knows that the question of Intellectual Property Rights was actually extraneous to the GATT Jurisdiction. But through the back door and finally through the front door, the developed countries could bring it into the final agreement. In the same way, they are taking up the social clause also.

I am sorry that the Minister has not given a categorical assurance in spite of all these replies that we will not agree to the inclusion

of social clauses whether it is child labour or whether it is labour standard.

I would categorically ask the Minister : will you give such an assurance to this House ? The intention of the developed countries is to neutralise whatever small advantage we have in the final agreement. Therefore, if the developing countries cannot be united in this, it is for the hon. Minister and this Government to assure us that even if we stand alone, we will fight it out.

MR. SPEAKER : You must conclude now.

PROF. P.J. KURIEN : I want this assurance from the hon. Minister. Will the Minister give it?

SHRI PRANAB MUKHERJEE : It is correct. Sometimes they try to influence the decision-making of the various contracting parties. Even in this meeting, it was suggested by one developed country. Some countries are taking the attitude of penalising the country which does not want to accept the social clause. Some other developed countries are suggesting for inducing them, alluring them, by linking GSP as an incentive for resorting to international labour standards. The hon. Member was my predecessor. He is fully aware how the international negotiations take place. That is why I mentioned earlier that it is the area where we shall have to remain ever vigilant. We shall have to build up cooperation among ourselves so that any such move could be resisted.

SHRI SOBHANADREESWARA RAO VADDE : Sir, the hon. Minister has mentioned about the Harkins Brown Bill. I would like to know from the hon. Minister whether it is a fact that this Bill is going to be discussed and given a shape by July 15 in USA after which if the President of USA signs it, it will have

tremendous impact on our exports to USA, particularly the handicrafts, hand-knotted carpets, gem and jewellery. In that case, will the Government take necessary steps so that this particular aspect of child labour could be taken care of? In our country, the parents teach their children right from the early age how to do that artisanship.

This will not in any way infringe upon the child labour regulations which are there. So, will the Government protect the interest of our country by ensuring continuous export and will it stubbornly block this type of Bill which will be detrimental to our interest ?

SHRI PRANAB MUKHERJEE : Sir, How can I block a Bill from being brought in the senate or the House of Representatives there as nobody can do so in the Indian Parliament ? I have no instrumentality available at my command to do such a thing. But, I can assure the hon. Member that if any action is taken by any country which is harmful to our trade, we have the instrumentality to go to WTO and get the redressal.

[Translation]

SHRI BRISHIN PATEL : Mr. Speaker, Sir, the whole country is worried on the issue that developed countries are creating trouble for developing countries in the name of human rights, child labour and environment. So I would like to know as to the Government will take action that.

“Dhoondani hai manzil to khud apna rahnuma ban,
Ve bhatak gaye hain aksar jinhen mil gaya sahara.”

MR. SPEAKER : It is correct that you have recited the poem but there can not be a reply of poetry.

SHRI BRISHIN PATEL : Mr. Speaker, Sir, it is my question. Please direct the Government to give me a reply of this question.

MR. SPEAKER : He will give you the reply after composing a poetry.

[English]

SHRI JASWANT SINGH : Mr. Speaker, Sir, it is reported that the hon. Minister, as a counter to the assertion of the social clauses by the United States of America, has placed on the Table the question of free immigration. I would request the Government to clarify whether such a proposal was firstly placed on the Table or voiced. And, secondly, if such a proposal about free immigration is voiced, has the Government examined in its totality the implications and the ramifications of free immigration policy, particularly so far as india is concerned in the context of its neighbours ?

SHRI PRANAB MUKHERJEE : Sir, so far as placing the proposal on the Table is concerned, it formed part of my formal speech which I delivered at Marrakesh. In that speech I mentioned that the movement of persons linked with the service should be ensured. But, it is not as a counter to the assertion of the social clauses. We do believe that when the trade in service is under consideration of WTO, the service providers should have a free movement. It is the logical consequence of linking the trade in service. The point which I am emphasising is about the service providers.

SHRI BIJOY KRISHNA HANDIQUE : Mr. Speaker, Sir, there is no doubt that the developed countries have linked the social issues to the trade agreement under GATT to put the developed countries like India at disadvantage. Yet, Sir, GATT or no GATT,

India has deep commitment to preservation of its values like abolition of child labour, environment promotion and human rights. May I know from the hon. Minister whether the Government will make a special effort to create a climate of credibility in the world by ensuring positive steps on the promotion of these values since the country's image is greater than the trade related issues ?

SHRI PRANAB MUKHERJEE : In fact, in reply to one of the question I mentioned on the floor of this very House that some of our export promotion organisation have volunteered the buyers and customers of other countries to come in our country and examine for themselves. So far as our commitment to the prevention of child labour is concerned, it is second to none. India, as a Member of the International Labour Organisation has accepted a large number of conventions on the labour related issues. We are fully aware of our responsibility in this regard.

[Translation]

SHRI RAM NIHOR RAI : Mr. Speaker, Sir, Gajipur and Mirzapur are the biggest centres of carpet industry in Uttar Pradesh. (Interruptions)

MR. SPEAKER : It is a question of international level.

SHRI RAM NIHOR RAI : Child labour are exploited there. I would like to say that Carpet Industry earns foreign exchange worth crores. Children involved in carpet industry should be given at least primary education. I would like to know from the hon. Minister that whether any arrangement for their education and sports facility will be made?

[English]

MR. SPEAKER : Disallowed.

SHRI V. DHANANJAYA KUMAR : Sir, now, it is abundantly clear that any of the signatories to the Final Act can become a Member of the Preparatory Committee. The Minister had also said that in the Preparatory Committee, a single member also will have the right to veto. In the light of this, it is very clear that the social issues would be discussed in the Preparatory Committee. Will it not be possible that if India becomes a Member of that Preparatory Committee and veto out such issues and then develop a strong lobby even in the Preparatory Committee so that the fight could be taken up or continued in the WTO further ?

SHRI PRANAB MUKHERJEE : I have already answered this question that so far as the Preparatory Committee is concerned what we had already stated in the Marrakesh we cannot say another thing in the Preparatory Committee. We are already a Member of that Committee.

Export Promotion

*684. SHRI DATTATRAYA BANDARU : Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to provide more powers to RBI in respect of automatic approval of export promotion proposals;

(b) if so, the reasons therefor;

(c) whether a final decision has been taken in this regard; and

(d) if so, the details thereof ?