

16.05 hrs

STATEMENT BY MINISTERS

(i) Alleged Deal with LTTE

THE MINISTER OF HOME AFFAIRS (SHRI S.B. CHAVAN): Yesterday, references were made in this House of an article entitled "Playing with the Tigers" published in the SUNDAY magazine of 27th March, 1994. I have gone through this write up, which was contradicted by Government on 28th March, 1994. Briefly, the story alleges that R&AW had established contact with the LTTE to secure some sort of guarantee for the Prime Minister's security during his recent visit to the United Kingdom and that some kind of deal was struck with the LTTE that the ban on its activities will be lifted by the Government of India.

I would like to categorically state that the said article is entirely baseless and totally mischievous. No deal has been struck with LTTE. The unlawful activities of the LTTE continue to be banned. There is just no question of Govt. lifting the ban on any organisation including the LTTE, whose activities continue to be unlawful. *(Interruption)*

[Translation]

PROF. PREM DHUMAL (Hamirpur). Mr. Speaker, Sir, a very tragic incident has taken place in Srinagar. The Government should be directed, before the House is adjured for the day, to tell something about it. *(Interruptions)*

[English]

SHRI CHETAN P.S. CHAUHAN (Amroha): A Major General and some senior officers have been killed yesterday, it

is a very serious matter. It is a question of the security of the country.

[Translation]

MR. SPEAKER:- Since you were not present in the House and thus, have not heard what I have said, than the House is not responsible for that. They have already been asked to give a statement.

[English]

SHRI C. SREENIVASAN (Dingigul): I would like to know from the hon. Home Minister the position about the ban on the LTTE. What about the ban orders on the LTTE?

THE MINISTER OF HOME AFFAIRS (SHRI S.B. CHAVAN): If the hon. Member goes through the statement, he would be able to understand the meaning of the statement. My only problem is that there is a tribunal which has been constituted, which is going to look into the matter whether sufficient material is there at the disposal of the Government for declaring an organisation as unlawful. It all depends on the material that we get from the State Government. *(Interruptions)*

MR. SPEAKER: This is not done in this House. We do not allow any clarifications to be sought.

(Interruptions)

MR. SPEAKER: Please take up your seat.

16.00 hrs

DISCUSSION UNDER RULE 193

Final Act Embodying the results of the Uruguay Round of Multilateral Trade Negotiations Contd.

MR. SPEAKER: Now Shrimati Malini Bhattacharjee may speak.

I would like to let you know that the CPM was given 45 minute's time and the CMP has consumed already 58. What is being given to the members of the CPM is something more than what was due to them. Out of 12 hours, time is allotted to the parties on the basis of the proportion of their number in the House and according to that formula you could have got 45 minutes. The Members have spoken for 50 minutes.

(Interruptions)

MR. SPEAKER: Are you ready to sit later in the night? I can appreciate your concern for speaking on this issue. But we would expect you to speak on the subject and not to repeat the points which have already been made. By repeating the points we are not gaining anything at all. If there are any new points you are welcome to make them. But if there are no new points please do not repeat the old ones.

SHRI PAWAN KUMAR BANSAL (Chandigarh): On one subject the points need to be repeated.

MR. SPEAKER: That is not the rule. Then you will require unlimited time.

SHRI PAWAN KUMAR BANSAL: The total time should be fairly divided to every Member, according to the Party time. I suppose, it can be done.

MR. SPEAKER: Your Party has got more time than what was allotted. If you want calculations, I can show them. Do not feel hurt about it. If there were any new points, I would have allowed you.

[Translation]

SHRI NITISH KUMAR (Barh): Mr. Speaker, Sir, it all depends on the person

who is speaking. He can present the same point in a way so as to make it sound like a new point.

MR. SPEAKER: Nitish Kumar ji, I am speaking for you only. Then you will ask for some time and I will not be able to allow, because, you speak on behalf of both the sides and it is not possible. You want more time and still want to stick to rules, both these things cannot go hand in hand.

SHRI NITISH KUMAR: We are the people who complete the quorum.

MR. SPEAKER: It is a good thing.

[English]

SHRIMATI MALINI BHATTACHARYA (Jadavpur): Mr. Speaker, Sir, I will start by thanking the two Ministers who have opened their mouth today, for opening their mouth, although it comes at a very late stage. Because initial signatures to the Final Act were put on the 15th of December. After that January has gone; February has gone. We have crossed the ides of March and now we are moving towards All Fools Day. We should take care that 15th April does not turn out to be All Fools Day for India. The Government has not yet clarified of its own: whether even the small advantages which they had demanded in paper given by the Commerce Ministry have been gained. We feel that there is space for struggle; there is pace for firmness even at this final stage and we would like a message to go from Parliament to the nation that there is still resolve in the Government to at least to lift one little finger to protect the sovereignty of the nation.

The Government has never spoken its mind on this issue expect when it has been

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pressurised. I feel highly complimented that the hon. Finance Minister in his red bashing expedition has thought it fit to say that it is the Communists or the Stalinists who have been leading the opposition against this accord. But I cannot claim so much for my party or for the communists because we find that even apart from the Left Opposition in Parliament, other Opposition Parties are also against it. Also a very strong opinion outside Parliament has developed against the GATT accord. It has come from economists; it has come from jurists, scientists, technologists with no ideological axe to grind. The opposition against this accord has not only come from the people from this country but it has come from the people in South Korea, Japan, Mexico on whom as far as I know, the influence of the Communists is very small. The CSIR journal, as far as I know, is not a journal run by the Communists. Yet in its Special issue of April, 1993, it has expressed severe reservation about the clauses of IPR. It has described those as an attempt at recolonisation. The Standing Committee on Commerce has given its verdict against this Dunkel Draft.

I am quoting the views of another Committee also which says: "This Committee feels that if the Dunkel proposals relating to drug industry are accepted as they are at present, this could adversely affect the indigenous drug industry." This is from the Report of the Committee on Chemicals and Fertilizers of which Shri Sriballav Panigrahi was the very able Chairman. Of course, he has been trying to live it down very desperately since that time. What we want to know is whether the Final Act has achieved anything that changes the situation and can relieve the apprehensions which have been

expressed by so many people. But all that we are having from the Government side are these DAVP booklets in green and yellow cover just like the Dunkel xrayed that was published immediately before the Assembly election in the four States. It seems that the DAVP booklets which contain misinformation and no information are a kind of an election exercise. There is no serious assessment on the part of the Government. This is what we protest against.

For a moment, let us look at the whole question from the other end. Instead of persuading us, instead of trying to persuade the nation about the merits of this Accord, the Government should try to persuade those with whom it is sitting across the table and if the small advantages which have been proposed in the paper of the Commerce and Industry Ministry are not gained, let us not give the final signature of approval to the Accord. No one can chuck us out of the GATT. When the countries belonging to the European Community were bargaining with the USA and in consequence the conclusion of the discussion was delayed, were they chucked out? Then, why should we be chucked out?

The Finance Minister has given a kind of a philosophical background today to this GATT Accord. This philosophical background is very familiar to us. In fact, it comes down from 18th century political economy. The State of nature versus social contract argument - that is what he has been giving. In a contract, unless both the parties gain something, there is no sense in a contract. However, just as in the 18th century the concept of social contract was heavily biased on behalf of a certain class, similarly in Shri Manmohan Singh's concept of social contract also we find that the contract is heavily biased on one side.

The Final Act is supposed to offer opportunities for us to become a major player in world trade. It is supposed that this Accord would give a boost to our exports particularly the agricultural exports. Now, I would like to ask one question. There is a study made by the World Bank - OECD. Here, we are told that the global income in the next eight years, as a result of the trade agreement, would shoot up to \$ 213 billion. However, out of this increase, certain countries would have the lion's share. West Europe would have \$ 80 billion; the United States - \$ 25 billion; Japan \$ 20 billion; China \$ 37 billion; South America only \$ 8 billion whereas the African countries would have a negative of \$ 4 billion. They would lose \$ 4 billion.

India's share in this, according to this study, is 4.6 billion dollars which is something like Rs. 15,000 crores. Shri Manmohan Singhji can enlighten us, Shri Pranab Babu can enlighten us: Will not this increase happen in an way even if we do not enter GATT accord, if the present growth rate in export continues? According to the claims of the Finance Ministry, his growth rate in the present year is 19 per cent. Now we need only 2.5 per cent growth in order to gain what is being projected by this GATT treaty. Is it for such a small gain that we are going to barter away our sovereignty that we are going to barter away our principles of self-reliance? This is a very small question I would like to ask both the Finance Minister and Pranab Babu.

MR. SPEAKER: I would like to remind you that that is a repetition 'sovereignty is bartered away' is a repetition.

SHRIMATI MALINI BHATTACHAIRYA: The report that I referred to, I hope, is not a repetition.

Look at the Multi-fibre Agreement. Even apart from the factor of back grounding due

to which India's gains will be delayed. In fact, this remains in the Final Act in spite of whatever efforts have been made by us, but apart from this factor backloading, is it not true that products which have not come under the MFA earlier are now being added to it? I would like to be enlightened on this point. In this text, there is a list covered by the MFA. Item numbers 6204.13, 6204.33 and 6204.53 about unknitted synthetic fibre whether these are with the MFA surreptitiously, quite in very recent times. This is a kind of straight of hand and if such additions are made, we suspect that we will not make any gains even after ten years.

Shri Mani Shankar Aiyar in his brilliant speech where he made us much as he could of a bad case spoke about the Aggregate Measurement of Support (AMS). In fact he tried to make out as if with aggregate measurement support reduction on product specific subsidy and non-product specific subsidy are no longer going to be there. It is not that. The AMS does not exempt these subsidies but includes these calculations in aggregation. He thinks, this is in our interest, this change is made for us. I would like to submit that as a matter of fact, this is a double-edged weapon and the developed nations have much more to gain from this aggregation as they have more subsidies and more variety of them.

This point has been dealt with by Shri Rupchand Pal and I would not like to go into the details. Again we have always disputed the Government's claim that the Dunkel Draft will have no effect on food subsidy. Shri Aiyar obviously had some qualms about this unlike the hon. Finance Minister because he was visibly relieved when he found that in the Final Act, some modification has been made to the draft in a footnote.

In fact there are two footnotes and Shri

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Mani Shanker Aiyar referred to only one. He referred to this footnote and said this shows that we do feel concerned not only for the rural poor but for the urban poor also. That is very gracious of Shri Mani Shanker Aiyar and of Mr. Peter Sutherland and Mr. Dunkel. However, this is that part of the text which deals with exemption for Government stockholding for food subsidy. It has a proviso. The first footnote has a proviso which has not been mentioned by Shri Aiyar. What is that proviso? This proviso is that the Government stockholding programmes for food security purpose will come under exemption as also programmes under which stocks of foodstuffs for food security purposes are acquired and released at administered prices provided that the difference between the acquisition prices and the external reference price is accounted for in the AMS. That difference then becomes a component in the clause for beside restriction of which AMS is the basis which means that when the extent of subsidy is calculated this will be included. So, in other words, indirectly food subsidy is being brought within the ambit of reduction commitment.

The second footnote to which Shri Mani Shankar referred is the provision of foodstuffs at subsidised prices with the objective of meeting food requirements of urban and rural poor in developing countries on a regular basis at reasonable prices. This in fact embodies the so called targeted approach to PDS, the efficacy of which has been combatted by economists of such eminence as Shri Amartya Sen. Food aid, with so called nutritional objectives, are very often based on criteria which drive large sections of the needy and push those who live along the poverty lines, who however along the poverty lines downwards. As a

matter of fact, we find that the Government has gone ahead of the Final Act by bringing in new food policy in which this targeted approach is embodied.

The question that I want to ask is what will be the criteria by which we will determine who the poor are. These criteria, if they are according to international standards, can be quite arbitrary. India from being a poor nation is now moving upwards becoming a rich nation. Party in power these are arbitrary criteria which can change and as a result of that large sections of people who really need this public distribution systems are likely to be deprived. Here I am quoting not from the writings of any Leftist economist; I am quoting from the 1994 paper written by Shri A.V. Ganeshan. This is not the 1989 paper; this is written in 1994. See what kind of apprehensions Shri Ganeshan is expressing here. He is talking of the transfer of capital to the rural sector. I would quote from Page 12.

Mr. Ganeshan says that there will be growing pressure from the farmers to realize higher prices for their produce and to narrow the gap between domestic and external prices. Along with these price incentives and enhancement in production, the rise in domestic prices would, on the other hand, put pressure on the Public Distribution System and accentuate the problem of food subsidy. Further more, the freedom to export agricultural products without restrictions will also need the shedding of long-nurtured inhibitions against their imports. What does this mean? Mr. Ganeshan is talking about the so called export oriented economy. Earlier we had produced for our consumption and then exported the surplus. But now the pattern of production itself will change. Even as the domestic prices of foodgrains will be rising we will be producing and exporting more and

more cash crops and importing foodgrains. This is something that the other speakers have also referred to. Growth in floriculture and horticulture is very good. But when that happens more and more, there would be the pressure of compunction and it is likely that these cash crops will replace the food crops. If rice production is enhanced, it will be Basmati for export, rather than the ordinary varieties of rice to feed our own people. Since, we have no control over international pricing, if prices are increased and if stocks are held back, import dependent countries will ultimately face famine. This has also been referred to by others and I will not go into it. I may mention the famine in Bengal in the 18-19th Century and we are also aware of the famine faced by the Sub-Saharan countries in the recent past. We are told that technology import is essential. Knowledge gap is said to be the real gap between the rich and poor countries and we are told that just because we are underdeveloped countries, we need not have underdeveloped science. In fact, the Finance Minister has made a rather objectionable reference to second class and third class technologies in our country. I do not deny that in some areas technology is a first class technology. We find that our pharmaceutical technology is being run down as an imitative technology. Finding a substitute through indigenous process for a particular product is, in fact, not an imitative technology. It is a highly innovative technology. But this is being run down specifically to encourage the multinationals.

I would like to give just one example.

MR. SPEAKER: Madam, the time is over. I have given you more than 20 minutes.

SHRIMATI MALINI BHATTACHARYA: Please Sir, allow me to speak for some more time.

MR. SPEAKER: Your party was given 45 minutes. The hon. Member who spoke earlier consumed 58 minutes. Over and above that, you are given 20 minutes. There are a lot of other Members who want to speak.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): If you are considering my name in your mind, I am ready to sacrifice my time for her.

MR. SPEAKER: The time to your party is already over. It is to be decided among yourselves as to who will be the speakers. Your name is not with me and nor am I going to give any time to you. You want to sacrifice something which you don't even have!

SHRIMATI MALINI BHATTACHARYA: The Department of Serologists and Chemical Examiners of the Ministry of Health which is situated in Calcutta has been producing various antisera for forensic and medico-legal tests. They are also producing VDRL antigens for diagnosing venereal diseases. These products are certified by the WHO to be of the highest quality. They are earning revenue and they are saving precious forex. But suddenly by some mysterious order of the Government, 33 posts have been scrapped of which 24 are technical posts. This will cause the Department to be closed down and we will have to go in for imports.

So, who are benefiting? It is the multinationals who are benefiting at the cost of the indigenous research and development at least in this case. Sir, what we are having is import or unsold finished goods rather than technology. The opening up of the sky has shown this. In electronic media, our technological infrastructure is being used for readymade software. Doordarshan is being flooded with such things. Similarly in pharmaceuticals the transitional corporations

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have, for a very long time been violating our laws regarding the working of the patents. producing a part of patented goods in countries where they are to be sold. But they have been importing surreptitiously.

MR. SPEAKER: Please conclude now. I am sorry I have to say this thing but then I have no other option.

SHRIMATI MALINI BHATTACHARYA: Sir, if you do not give me time, I will sit down without completing my argument.

MR. SPEAKER: I have no option. You do not have time.

SHRIMATI MALINI BHATTACHARYA: I have an argument.

MR. SPEAKER: You know that other also have their points to make.

SHRIMATI MALINI BHATTACHARYA: I am not taking the time of others. I have been waiting since yesterday.

MR. SPEAKER: You may be waiting but your party had been given some time. You have taken double time that was given to your party. You should share the time between your Members.

SHRIMATI MALINI BHATTACHARYA: If you allow me another ten minutes, I will be satisfied.

MR. SPEAKER: No, it is not possible. Please conclude now.

We are expected to speak on this draft but we are speaking on everything which can be discussed. How can we continue doing that?

SHRIMATI MALINI BHATTACHARYA:

In the limited time, you cannot go on quoting the opinions expressed by people outside. You have to talk on these things.

SHRI SAIFUDDIN CHOWDHARY (Katwa): Even the GATT Treaty has concluded, let her also conclude her speech!

MR. SPEAKER: Well, I would go by Mr. Saifuddin's advice.

SHRIMATI MALINI BHATTACHARYA: Sir, the Clause on Sanitary and Phytosanitary Measures is another very controversial area. Sir, I am referring to the Text now. Just as visa restrictions in the case of personnel, these Sanitary and Phytosanitary Measures are going to be like hurdles which may be put to the entry of our products in the developed countries and so far as our side is concerned what we are having today is the import of wastes rather than technology, all kinds of wastes. Chemical waste is being dumped in our country. Let this Clause on Sanitary and Phytosanitary Measures be used against the dumping of these wastes.

Sir, I will now make my last point which is on *sui generis* system. On the *sui generis* system, there has been a Draft Bill. It is true that in the Preamble of this Draft Bill, there is much talk of public interest, framers and researchers, rights and reciprocal rights. But the question that I ask—because this is a confidential document, I cannot go any further is this. Are there Clauses in this Bill to enforce it? We find that there has been a debate about this *sui generis* system. There has been an Article by Mr. Peter Sutherland in *The Times of India* which talks of this flexibility in accepting a *sui generis* system which will be our own, which will not refer to either UPOV-78 or to UPOV-91. This is the question that was being asked earlier also whether it would be an effective system of

sui generis. This is the whole question and whether it will be considered effective by the International community.

MR. SPEAKER: But we will decide in the Parliament later on.

SHRIMATI MALINI BHATTACHARYA: Mr. Sutherland says that the international community is not interested in across-the-fence sale. That is why the farmers will continue to sell their product across the fence. Are we to believe this?

MR. SPEAKER: That point has already been covered. You please conclude.

SHRI SAIFUDDIN CHOUDHURY: We have got the reply from the Agriculture Minister. If they do not accept it, we will come out of it.

MR. SPEAKER: That is not the Government's reply.

SHRIMATI MALINI BHATTACHARYA: There was a direction from the Chair.

MR. SPEAKER: That point was very much made clear at that time itself.

SHRIMATI MALINI BHATTACHARYA: Please let me complete.

SHRI CHANDRA JEET YADAV (Azamgarh): Sir, please do not say that this will not go on record.

MR. SPEAKER: I am saying it because it should go on record.

(Interruptions)

MR. SPEAKER: I cautioned the hon. Minister to consult his Cabinet and then

react here.

SHRI CHANDRA JEET YADAV: But when a Minister speaks here, he speaks on behalf of the Government. He represents the Cabinet. *(Interruptions)*

You may caution a Minister.

MR. SPEAKER: Let me be very clear. We do not want anybody to make any statement in the House without applying his mind or at the spur of the moment and then act upon it. We will give them a chance to consider it and they can make considered statements. If the Minister says that it is the view of the Government, anyway, they will be bound by it.

SHRI CHANDRA JEET YADAV: Do you mean to say that he did not apply his mind to it?

MR. SPEAKER: No more discussion on this may be continued, please. *(Interruptions)*

MR. SPEAKER: No more discussion. You can apply your own interpretation.

SHRI BHOGENDRA JHA (Madhubani): How can you say that that the Minister speaks and we may apply our own interpretation to it?

SHRIMATI MALINI BHATTACHARYA: I want a clarification from the Chair.

MR. SPEAKER: Already 58 minutes time is over. Please do not take more time. You do not have to seal any clarifications from the Chair. Whatever interpretation you want to put on what is said on the floor of the house you are at liberty to do it and I am not bound to give an explanation. Please conclude your speech.

SHRIMATI MALINI BHATTACHARYA: About the sale across the fence, it was said that since the multinationals do not have any police in this country, they do not have the necessary personnel or the infrastructure they will never be able to enforce through the Government. now, I think that we are entering into a treaty. If we are entering into a treaty we enter into it honestly. If we want to violate the treaty surreptitiously then, what is the use of entering into the treaty at all? If branded seeds are bought by the farmers, and then these are multiplied, then these are again sold across the fence, then that is actually a violation of the treaty.

MR. SPEAKER: You have made very good points. Now you must cooperate with me by just saying that you agree with the others.

SHRIMATI MALINI BHATTACHARYA: I want to see a clarification from you because you said from the Chair, that this is an important matter.

MR. SPEAKER: I expect you, Madam, to seek on the Final Act.

SHRIMATI MALINI BHATTACHARYA: You said that they do not have a machinery do it unless the Government co-operates. On the floor of the House the Government is making a categorical statement that it anybody has to be proceeded against, it has to be through the Government. The GATT Treaty does not have the police or the court or any machinery. Does it means hat they may sign the treaty and the same our farmers may be told surreptitiously by the Government that they could do anything.

MR. SPEAKER: There is a method for that. All these things cannot go on like this.

SHRIMATI MALINI BHATTACHARYA: What is the method? I think if any law is formulated, it should take into account the farmer's rights, researchers' rights, not the right of international breeders and not the rights of multinational breeders.

MR. SPEAKER: Madam, you should conclude now. Thank you very much.

SHRI ABDUL GHAFOOR (Gopalgani): Please give me only one minute. I will make the shortest speech in Parliament since Parliament was established.

MR. SPEAKER: I will give you time. I am sure it is going to be very interesting.

SHRI ABDUL GHAFOOR: Workers of the world, unite together, except those who are all combined together on this issue and left here in India from our free world ! now the capitalists of the world unite. Here is Shri Manmohan Singh, Shri Pranab Mukherjee. So, let us start on our journey, from here and where are we going? There is no way out. Let someone be born in India like Mahatma Gandhi, Subhas Chandra Bose. All these things about which people are making speeches here are not clear. Everybody's mind is perplexed. What is this? What will be the Treaty and where will be the police? We are all under pressure.

Now, after the demise of the Soviet Russia, let us go home now!

SHRI CHANDRAJEET YADAV: Do not take his advice seriously.

SHRI ABDUL GHAFOOR: Let us combine our political wisdom and fight the next elections.

MR. SPEAKER: Shri Pranab Mukherjee.

THE MINISTER OF COMMERCE
(SHRI PRANAB MUKHERJEE): Mr.
Speaker, Sir,....(Interruptions)...

[Translation]

SHRI NITISH KUMAR (Barh): Mr. Speaker, Sir, it is guillotine of debates. You had said that we would be given a chance to speak. We want to express our views before the House. This discussion should be continued for some more time.

SHRI ASTBHUJA PRASAD SHUKLA (Khalilabad): Mr. Speaker, Sir, the hon. Members belonging to BJP should be given an opportunity to speak. We have waiting since morning.

[English]

MR. SPEAKER: I can give you time. But then, if you are making references to all the advices given by all the economists and newspapers and not speaking on the Final Act, then it becomes very difficult.

[Translation]

SHRI NITISH KUMAR: We will speak on the related subjects we will neither refer nor read any other thing. We are not in the habit of reading notes even.

[English]

MR. SPEAKER: Please understand, according to the rules, the time available for discussion under Rule 193 is two and a half hours. We have given 12 hours. You know the first speakers who were fielded by the parties were given as much time as they wanted. It is for your Parties to decide how much time should be given. CPI has been allotted 18 minutes and Mr. Bhogendra Jha has spoken for 58 minutes. Of course, BJP

has got some time. Janata Dal has been given...

[Translation]

SHRI ASTBHUJA PRASAD SHUKLA: Mr. Speaker, Sir, I am thankful to you for giving me an opportunity to speak. Sir, the farmers are much worried over the Dunkel Proposals. More than 2000 farmers from the villages stopped me on the road while I was on my way back from my constituency, recently.

MR. SPEAKER: Do not speak about agitation. Please speak about the draft.

SHRI ASTBHUJA PRASAD SHUKLA: I am talking about the farmers. I would like to submit that the farmers are very much worried about the Dunkel proposal and the approach of the Government towards it. Recently Cargill was given permission to buy 10000 to 50000 acres of land in Maharashtra. It indicates that slowly and slowly our agriculture will be out of our reach. Likewise subsidy has been reduced in each budget. The farmers have doubt about the subsidy. It has been stated in article 6 or the draft that the subsidy being given on agriculture in the developed countries is to be reduced by 20 per cent within 6 years. In European countries 80 to 200 per cent subsidy is given on agriculture, while in our country it is 5 per cent. There is no similarity between the subsidy given in developed and developing countries. There is no equal right of market access.

MR. SPEAKER: The hon. Finance Minister has stated that we need not reduce the subsidy but we can increase it.

SHRI ASTBHUJA PRASAD SHUKLA: Mr. Speaker, Sir, I am speaking about the other thing. I would like to submit that the

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Centre and State Governments give subsidy on fertilizers, seeds, agriculture equipments and revenue but in this article nothings been mentioned about the subsidy to be given on revenue. The important question is after all what sort of subsidy will be given on revenue. Regarding the patent the hon. Minister had stated that this related to *sui-generis* system. In your documents in article 27, it has been mentioned about effective and reserves rights in TRIPS, who will be authority for it.

MR. SPEAKER: It will be decided by the Parliament.

SHRI ASTBHUJA PRASAD SHUKLA: It is being said that it will be reviewed after 4 years. Just now the hon. Minister has said that a Bill is being introduced for giving concession to the farmers. It is a matter of concern to us as what will be the provision after such review. Ours is a country of small farmers. 65 per cent farmers exchange seeds with each other and use it in agriculture. The Government should make it clear that it will not be effective here. But the crop is being harvested today and the farmer will store the seeds in the godowns and at the time of sowing he will bring out from the godowns and it is for him either to sell it or to exchange it. Who will decide whether it is being used for the agriculture purpose or not. These are some minor questions of the farmers. We have the seeds of hybrid maize. Any company has got it patent and the farmer gives this seed to someone else the company which got it patent gives it to someone else then the company will say that this was their own seed. Whether an action will be taken against the farmers. Even the seeds bear the name and there is no such product which does not bear the name and if it got

patent then it will come with the name. There is no such provision in this document to decide this and that is why the farmers have doubt about it. Position regarding Balance of payment, which is at page 4 of this document has been discussed today. Who will decide about it. It will be decided by GATT or y the IMF, it has not been made clear in it. It has been stated in this documents that we will get concessions in making export and in subsidy through the B.O.P. The Minister of Finance says that the problem of BOP has been solved. We have 13 billion dollars in reserve and the IMF loan is already being repayed since it is surplus. From where will we have the facility of concession in subsidy if the problem of balance of payment is solved and how will we have the facility in making export. There is contradiction between the statement of the hon. Finance Minister and this document. It has been stated in the document that the facilities of subsidy and export will be given on the basis of BOP and how this will be given. These are some of the reasons which creates doubts in our minds regarding Dunkel proposal. It seems that the farmers are being totally neglected and it creates doubts in their minds. For a company like Cargill, the land for gardening is in the name of the company on the other hand land-ceiling Act is also in operation.. The company is allowed to buy 40-50 thousands acres of land. Whether the foreign companies will prepare chips, tomato sauce, pickle and papad, do farming also produce the raw material and if the raw material is cheaper in foreign countries then it will procure the raw material form there. Then foreign companies will export its product after procuring the raw material. Then what we will produce in our country for making export. 80 per ent people in our country depened on agriculture. What will be the fate of this country when these foreign companies will start manufacturing even the small items. On

one hand Government says that budget is small and cottage industries oriented and associate the people with the agriculture production, on the other hand the foreign companies are being invited. The Government has given the licence of food products processing to the Pepsi-cola company. We all are aware of the functioning and other activities of this company. Whether the Government has ever verified that this company is serving the very purpose for which this was allowed to function and was given licence. The multinational companies coming to our country will have some profit motive. Coca cola has captured and it has captured the market of Thumbs up. The items made in villages which can be made by the handicapped rural children, women and the poor labourers will be made by the multi-national companies. Pepsi is an example of it.

It is like comparing a man having hunch back with an ordinary man and on seeing a beautiful girl he wishes to marry her, but will she marry him? No, she will not marry him because in the performance of marriage the whole body and not a particular part is involved. Similarly this Dunkel proposal is like a man having hunch back and the Government should take steps to remove that.

SHRI BHOGENDRAJHA (Madhubani):
Do not call it a hunch it is leprosy.

SHRI ASTBUJA PRASAD SHUKLA:
It is all the same thing. Therefore, I oppose this Dunkel proposal and I would like that the Government should not put signature on it and this is the opinion of all the farmers.

MR. SPEAKER: Mr. Umrao Singh, please conclude in five minutes.

SHRI UMRAO SINGH (Jalandhar):
Everybody talks about the farmers. I would

like to talk about three things only, namely seeds, subsidy and export of agricultural products. About seeds I just want to say that the way the discussion is going on here that hardly presents a true picture. I just want to tell you about Punjab. In Punjab the first and foremost need of a farmer is seeds. No country of the world or MNC can supply us seeds as per our requirement. We sow wheat on 32 lakh hectares of land and for that purpose we require 32 lakh quintal seeds. No MNC can supply such a huge quantum of seeds. So this is regarding wheat alone. Similar is the case of paddy, the target for which is 20 lakh.

MR. SPEAKER: This is not related upto the Punjab alones, but to whole country.

17.00 hrs.

SHRI UMRAO SINGH: I am telling you about one state. This would enable you to assess the requirement of the whole country. No agency can supply seeds to the farmers all over the country. Here the farmers multiply their seeds.

They supply seeds not only to Punjab but to the whole country. There has been no restriction over it and there would be no restriction. If any restriction is imposed on it then it is totally wrong. Many Universities and National Seeds Corporations are supplying such quality seeds in our country which none else can supply. If any other country can supply such quality seeds then we have no objection. If a particular seed doubles the yield of a farmer then naturally he will go for it. If he wants he can sell it in the open market, there is no restriction as such. Now such apprehensions are being pressed that entry of MNCs would be against the interests of the farmers. This issue was discussed in the Parliament two and a half years ago. Since then we are heading

[Sh. Umrao Singh]

towards an open economy. It is being said that our country would be slave and would lost its sovereignty but the Congress Party which led the country to freedom is committed to the development of the country and security of its people. I would like to ask these people that where was America in 1971 when we were in Dhaka and it was being said *inter alia* that Armada Fleet of America was approaching through Singapore. Mr. Speaker, Sir, such things have no meaning. Neither we have been ever pressurised nor we are being pressurised at present nor we are afraid of such pressures. I feel, if farmers are in need of something, they must be provided with that.

Mr. Speaker, a point regarding subsidy has been raised. The farmer does not need it any more. He needs electricity. I would again talk of Punjab where power supply continue only for 5-6 hours. Factories are not functioning for want of full electricity. If electricity is also provided there or 20 hours it would help in increasing the production. Besides electricity, they also require water and if they require water they also require seeds. Our scientists are providing good seeds.

[English]

MR. SPEAKER: I must say that you are not on the point.

[Translation]

SHRI UMRAO SINGH: I am talking about seeds only. The name of Dr. M.S Swaminathan has been mentioned here. You had been to Moila and I am telling you about the advance study there.

MR. SPEAKER: The Minister will reply on your behalf.

SHRI UMRAO SINGH: I would like to say that if more facilities are provided to the farmers they can produce more. There would be more horticulture and we would be able to export foodgrains. Whether we go for food processing, or finished goods it would ultimately increase our production and thereby the country would flourish. Our colleagues instead of praising our country would like to say that, "

*"Hamko Uns Wafa Ki Hai Ummeed,
Jo Nahin Jante Wafa Kya Hai."*

Therefore the country is bound to make progress. It has been making steady progress for the last 40 years and it will continue to progress. I earnestly hope that our agricultural production will increase by using good seeds and it will also boost our exports and the country will be prosperous.

SHRI NITISH KUMAR (Barh): I thank you very much for providing me an opportunity to speak and I would like to submit and request that since you have given me an opportunity I may also be permitted to present my view point, I will not take much of your time.

Hon. Minister is going to make a reply and all relevant aspects concerning this issue have been discussed between the opposition and the treasury benches. After having listened the discussion and going through this document as well as the comments of the experts and press. I have developed certain motions about it which have given rise to certain questions in my mind, which of course a common man can also pose to me as it is a brunching issue throughout the length and breadth of the

country. I would like to put up them questions before you.

After all what benefits we are going to get by remaining a party to the GATT agreement? It is being said from the Government side that it is a multilateral agreement and if, we remain party to it we would be benefited in many ways. I do not want go into details. You and your Government have made many statements inside and outside the House telling that it would multiply our trade and commerce. You yourself have said that this would benefit us to the tune of 1.5 to 2 billion dollars more. After all the data provided in the House relates to the increase in the overall trade throughout the world, keeping that in mind we want to know as to what would be our share in that increase, would we be able to maintain our current increasing of export or would it increase further even after signing the GATT agreement and in which sector we would be benefited.

Repeatedly, it is being said that the textile sector would zoom. Just now Maliniji was mentioning one point. Considering that, I would like to know whether we would be allowed to export any types of fabric? You have talked about so many good things, while delivering a speech in the Business Forum of C-15 countries. Shri George has demanded a clarification on one of its aspects. Really, I was very much delighted while going through your speech but I doubt if you will stick to your stand because keeping in mind the New World Trade Organisation which would be created after the discussion is GATT is over America bringing non-trade issues in the forefront and it has raised three questions.

Three issues regarding labour standards, human rights and environment have been referred to. It is being mentioned

that the Government of India is going to accept the proposals regarding environment. I do not know what are senatory and fight senatory referred to by Ms. Malini Ji and contained in the GATT. Now there is not enough time to quote all that. I seek a clarification about the environment proposals being blindly accepted by the Government that whether there is some restriction regarding use of pesticides, insecticides and fertilisers used in producing cotton for manufacturing clothes? Because, it is being believed that USA is going to restrict the import of commodities in the manufacture of which pesticides, insecticides and fertilisers are being used. Now in this scenario will we be able to increase our exports because the promise made regarding reduction of 10 year backs loading period for multi-fibers has not been reduced. and whether term 10 years any benefits will be reaped? I seek an unambigucus clarification in this regard.

I would like to know the grounds on which you claim to undertake agricultural exports. Many an hon. Members have already put forth their views in this regard and I do not want to repeat the same. The issue of the Balance of payments position is a point for discussion and who will certify whether it is good or bad? However, after the agreement markets for staple and nonstaple food will have to be thrown open. After the economy is opened the situation will be none better because compulsory imports will have to be undertaken even in the absence of any need. In that case what will be the effect on prices and production? You are an expert and can evaluate all the points. There are two school of thought. One leftist and the other rightist. Both are diametrically opposite political thoughts. However, Dr. Manmohan Singh can give an expert opinion about the benefits and the manner in which exports could be boosted.

[Sh. Nitish Kumar]

While last time participating in the discussion on GATT proposals. I raised hue and cry regarding one point. Yesterday Shri Mani Shankar Aiyar reiterated the same regarding export of rice. I would like to know when America has evolved a new variety of basmati rice under the name 'Texamati' then what will be the fate of our basmati rice? What the country will export and how? Therefore, I seek a clarification in this regard.

Mr. Speaker, Sir, as far as the issue of seeds is concerned a standing committee on Agriculture of the House is there. Observations submitted by the Committee, consequent upon the deposition of the officers before the Committee, are well known. The Committee was informed that of the total seed requirements just 11 per cent of it could be met through certified seeds supplied by National Seed Corporation or State Seed Corporations. Rest 89 per cent requirement of seeds is met by the farmers among themselves. After the GATT comes into effect then we will not be free to sale the seed and permission for sale will be given only across the fence as has been stated by the hon. Minister. All this talk sounds artificial because then no distinction will be made. In that case who will be responsible for supplying 89 per cent seed requirements when the farmers will not be preparing seeds? Merely by saying that ICAR will not stop functioning and will continue to be on the scene sounds quite hollow. All right we accept it that ICAR will not vanish from the scene but even then how will the 89 per cent seed requirements will be met? When the farmers will not be allowed to prepare seeds from the plant feeders supplied by ICAR then from where 89 per cent seed requirements will be met? Further, when foreign companies will have monopoly on

seeds then what will the government do? These companies have plenty of advertising facilities and enough resources. Slowly but steadily they will control the entire field of seeds. At the out set they will sell seeds at cheaper rates but later on at higher prices. As a result of this small and marginal farmers will slowly find it difficult to keep themselves engaged in agriculture and will start disposing off their lands.

Mr. Speaker, sir, example of the Government of Maharashtra regarding the permission to purchase 5,000 or 10,000 acres of land has been cited in the House. This way land ceiling limit on some pretext or the other is being lifted. However, such things will make small and marginal farmers landless. I urge the hon. Minister to allay our fears in this regard.

Propaganda on Radio and TV will not allay fears of the masses. Perception that Radio and TV will allay fears is misgiving because messes can be divided into two schools of thought. Only a minority can be impressed upon by it, but the majority do not consider this good and nurse many a misgiving.

SHRI MANI SHANKAR AIYAR (Mayiladuturai): Election verdict will make the scenario clear.

SHRI NITISH KUMAR: Mr. Speaker, sir, I am submitting all this with the national interest in mind. Till now we have not toed party line. Sir, my party workers are being subjected to water colons on roads. Still party line is not being followed. However, if this issue takes party politics colours then it won't be good. Therefore, we want to totally move the Government and submit that please ponder over coolly on the entire situation. The manner in which USA is including everyday new things in it indicates

that tomorrow we will lose our sovereignty. I do not want to dwell at length on services and TRIPS, but GATT will result in globalisation and subsequently to high cost economy in the country.

I got the opportunity to accompany the Hon. Speaker to IPU conference in Paris. There I had to give my suit for iron (Pressing) and it cost me 70 francs. Hotel Ashoka even at present charges Rs. 35-40 for laundry work. There I ventured to purchase an ordinary pen.....(*Interruptions*).

SHRI MANI SHANKAR AIYAR: Sir, You stopped my friend Shri Pawan Kumar Bansal saying that the Minister had to speak. He was given only seven minutes to speak. Here is an hon. Member talking irrelevantly for the last 12 minutes. (*Interruptions*).

MR. SPEAKER: That is not proper, Shri Mani Shankar Aiyar.

(*Interruptions*)

MR. SPEAKER: Shri Mani Shankar Aiyar's statement is irrelevant. What he is trying to say is that high cost economy should not be inducted into the country. It is relevant.

(*Translation*)

SHRI NITISH KUMAR: This is the reason for our feelings becoming more firm. Opening of economy will lead to increase in prices. I urge Shri Pranab Mukerjee and Dr. Manmohan Singh to save the country. Money power is still an important big force. Exchange rate between Dollar and Rupee is 1: 31. That's why we warn you about the timely action that could be taken...(*Interruptions*).

Shri Jakhar mentioned about sui-generis

system. In this connection I would like to reiterate the views of many hon. Members. Here provision of effective sui-generis system is provided. Yesterday Shri Aiyar referred to it a lot. However, I do not want to cite it because the Bill has yet to be introduced by the Government.

MR. SPEAKER: Do not get panic by patent laws as our patent laws will be also protected.

SHRI NITISH KUMAR: Sir, you are right but what is the Budget allocation for Research and Development. USA and Japan are spending per capita \$ 600 and \$ 700 respectively on R&D and India only \$ 3 per capita.

MR. SPEAKER: Because population is much higher....

(*Interruptions*)

MR. SPEAKER: Please do not quote enough data.

SHRI NITISH KUMAR: I am citing all this for elaboration only. Yesterday Shri Fernandes cited the example of a multinational company. Therefore sui-generis going to be evolved should first be got approved from the Parliament. At that time we will be inclined to give amendments for protecting our interests. At the time of review in WTO it will be nullified. The Government is moving the legislation with an eye on the elections but the results will make everything clear. Mere saying that interests will be protected is not going to satisfy anyone or save the country. Therefore, today I would like to submit that (*Interruptions*)

MR. SPEAKER: We think about Shri Aiyar and you are equally proficient in Hindi.

SHRI NITISH KUMAR: You do not want to get out of GATT. I submit that we must stay out of GATT as it is not beneficial. Even if still it is being believed that GATT is beneficial then please take into account the hue and cry being witnessed both inside and outside the Parliament and be swayed by the national interests and not of the feelings of Shri Aiyar. Please submit all the details and documents to the experts and the political parties if any decision has been taken in Camera...*(Interruptions)*

[English]

MR. SPEAKER: Now, you have to conclude....

[Translation]

SHRI NITISH KUMAR: Please trust us and form some consensus opinion for providing maximum benefits so as to save the country. The manner in which things are being initiated will clearly jeopardise the future of India and will take the country towards bondage. I can say this quite confidently.

[English]

MR. SPEAKER: Now, nothing will go on record henceforth please.

(Interruptions)

MR. SPEAKER: This is not going on record. These statements are not going on record.

(Interruptions)

MR. SPEAKER: You have made your point. They are good points.

[Translation]

Do not spoil the them.

(Interruptions)

SHRI DAU DAYAL JOSHI (Kota): Nothing has been said regarding medicines. While replying the hon. Minister should clear things about patents regarding medicines.

MR. SPEAKER: Please sit down.

(interruptions)

SHRI NIRMAL KANTIC HATTERJEE: I will just make one request to the Minister. You bear with me. The Finance minister has indicated that there are difficulties.
(Interruptions)

MR. SPEAKER: This is not going on record. This is very unfair.

*(Interruptions)**

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Mr. Speaker, Sir, I am grateful to the hon. Members who have made their contributions on two days' discussion and I am also grateful to have the opportunities of sharing my perceptions on the Final Conclusions of the Uruguay Round of Negotiations as getting reflected in this draft Final Act.

First of all, I would like to clarify certain technical aspects. Despite my repeated assertions, many Members have pointed out that something had been signed on 15th of December, some final seal of approval is going to be given on the 15th April. It is not so. After 15th December, when the

discussion took place on this very House, I pointed out that by 15th of December, multilateral trade negotiating committee which were appointed by the group of Minister's Meeting at Punta del Este in September, 1986 have concluded their job and they have arrived at some their conclusions. Those conclusions will be presented before the group of Ministers and the group of Ministers will authenticate it that these are the conclusions, these are the decisions arising out of the protracted negotiations and they will recommend to their respective Governments as the authentic document. As every document which has to be laid on the Table of this House is to be authenticated by the Minister, similarly, to the contracting parties to the Governments, that will be the authentic documents. That is not the binding one.

Thereafter, it was decided that each country, within one year, will ratify it. Of course, that date will be decided at Morocco whether it will be from first of January 1995 or from the first of June 95. That is the indication which I am getting. It would be first to January 95. It may be from first of June or first of January 1995. Within that period, the respective countries will ratify, according to the law, rules constitution whether they are accepting or they are rejecting it.

The second point which I would like to point out is that this document itself is not a self-executing document. Many of these provisions will have to be implemented through the national legislation. Parliament will pass that law. Therefore, *ipso facto* even if this document is ratified, even if this document is signed, it is not going to be implemented. It is not a self-executing document. Unless the various provisions of this Act are being translated into legislation by Parliament some of these provisions will

not be implemented. Therefore, we shall have to keep in mind these technicalities.

I will now come to the points which were raised by Shri Jaswant Singh and even while making his observation Shri Nitish Kumar referred to that. First, what are the gains? What are we achieving from this round of discussions? I am grateful to the Finance Minister and the Agriculture Minister because in their interventions, they have covered much of the areas, particularly the areas which went beyond the discussions of this document covering the national economic policy. Much of those issues have been dealt with by the Finance Minister and the Agriculture Minister has dealt in detail about the problems, concerns which were expressed by the hon. Members on agriculture. I would like to try to confine myself as far as possible to this document and also to certain other issues which have arisen to of this acceptance of the GATT treaty. Being the Member of the GATT, the first gain we are having is -all the 117 contracting parties are there- that automatically we are having the Most Favoured Nation treatment.

SHRI SAIFUDDIN CHOUDHURY (Katwa): From whom?

SHRI PRANAB MUKHERJEE: From all the countries. All the Members will extend it. Automatically, the Most Favoured Nation Treatment is to be extended by all. This is the first gain.

Secondly, we shall have to find out whether we have gained in textiles and what we have gained? I have mentioned it on earlier occasions also from the very beginning, that we, the developing countries, are pointing out that we want textiles should be liberalised and there should not be any quota restriction; the market of the

[Sh. Pranab Mukherjee]

industrialised countries should be opened to the textile exports of developing countries. I am sorry my friend Shri George Fernandes is not here. But surely Shri Nitish Kumar will convey it to him. He will remember that the Tokyo Round of negotiations started in 1973 which was the last Round, before this one the Seventh Round and concluded in 1979. He was the Minister of Industry at that time. Even at that time we tried to see that textiles be brought within the discipline of GATT. But we were not successful. The industrialised countries resisted it. It is true that we are not totally happy but still we tried and we try to do something. What has been the outcome of our efforts? There were serious pressures till the last moment demanding that the transition period should be extended from 10 years to 15 years.

We have been able to resist that. It is not doubt, back-loaded. We wanted to have it front-loaded. But we also, when we placed our tariff bindings in the textiles, calibrated it to the extent that you will liberate the textile industry, allow access to your market up to 15 per cent in the first two years, we will reduce our textile tariff to that extent. If you delay it, we shall also delay it. This is, to my mind, is a major gain.

The third area is question of agriculture itself. When I quoted the observations of the leader of the ministerial group in the first meeting at Punta del este and the observations of the minister in the last meeting at Brussels in 1990, I did not want to score any debating point. I wanted to point out that this is an area where our stand is a principled one because till today we are having an uneven competition in the agriculture with the industrialised countries because their agriculture products are highly subsidised. All the hon. Members are fully

aware of it that the time which took to conclude these negotiations was mainly because of the quarrel between the industrialised countries in regard to the reduction of the agricultural subsidy. One hon. Member has pointed out that even the Prime Minister of Japan is not happy. As he has mentioned the name, that is why, I am mentioning the name of the country, otherwise, I would not have done it. Yes, he would not be happy because he has to reduce the agricultural subsidy. Industrialised countries are compelled to reduce the agricultural subsidy not to the extent that we want, but nonetheless 36 per cent for a period of six years. Not only that they will also have to provide access to their market. And here the hon. Members are fully aware of the mechanism which is there. The first suggestion was that you remove your quantitative restrictions and tariffify it and in the process of tariffication, it was found that even their subsidy level is very high, 600 to 700 per cent and even if it is reduced for a period of six years, to the extent of 36 per cent, then too the tariff wall will remain so high that the developing countries would not be able to jump that. Therefore, it was suggested that you will have to provide to market access for import to 3-5 per cent of total agricultural production. For that you shall have to reduce your tariff to the minimum level. You will provide the facility to import to the extent of three to five per cent and thereafter you can raise it so that the opportunities to the developing countries materialise. I am talking of the developing countries as a whole. I read it in a journal that all this advantage, in this case would be gained to the extent of fifty million US dollars to the developing country. How much we will get the share out of that fifty million dollars is a different question. But the strategy which we wanted to have which we worked out is that the textile market, agricultural market of the industrialised

countries should be opened to the developing countries. To a considerable extent, we have been able to achieve that objective. Then there is ten year transition period in respect of intellectual properties particularly in respect of amendment to our patent laws. Here I would like to dispel one misconception that as if India is not having any patent regime at all. And the TRIPS do not deal only with patent laws. There are certain other laws, the copyright law, copyright related rights, trade marks, geographical indication, industrial designs; patent, layout design, integrated circuits, protection of undisclosed information. In all these things, we do not have any trouble with the international laws. Therefore, somebody pointed out that nearly 95 per cent of the IPR regime is in conformity with the international laws patent laws. Thereto, it is not correct to say that 1970 patent law does not permit product patents at all. It is not so.

It does not allow product patenting in foodstuff, in pharmaceuticals and drugs chemicals, but it allows product patenting in engineering goods, in machineries. Therefore product patenting is permitted in some cases, the case where we do not permit product patenting and have we shall have to amend our laws. It has been clearly explained by the Finance Minister; I am not going to the details of that. The advantage which I am talking of; I would not mention the name of the two countries which are outside GATT. While they were trying to have bilateral trade negotiations, they were forced to change their patent laws and to bring them at par with international laws within one year. Here the advantage which we are talking of that we are getting a period of ten years for changing our laws.

Very often it has been raised; the unilateral panel action by the powerful economic nations. What we have to do?

The GATT itself does not take away certain rights of any Government from the mightiest to the tiny one of making any legislation which their Parliament or which their sovereign Government, according to their will consider it necessary. The question is, if that piece of legislation causes injury to other members of the GATT, earlier there was no court to appeal. Today there is a court of appeal. Who is there, Dispute Settlement Mechanism would be there to listen to you. Whether you will be able to plan your case or not is a different story. But a forum is available, the forum which was not in existence earlier. This is the gain to my mind we are going to have.

A case has been built up as if the whole world is going to collapse if we sign the GATT. I am coming a little later to the sovereignty and other aspects. A case has been built up as if the whole world is going to collapse. What is this agreement? You would require six months notice to come out of GATT. Even I mentioned to you that if at any point of time the Parliament considers that certain provisions of this Act are not to be implemented, if the collective wisdom of the Parliament considers it necessary, they will throw that.

About the laws which are being brought in, much has been pointed out. What is the effect of *sui generis*?

[Translation]

SHRI NITISH KUMAR: In the new agreement being entered into whether there is the provision of six months notice?

[English]

SHRI PRANAB MUKHERJEE: What is effective *sui generis*? The word *sui generis* itself—Srimati Mali Bhattacharya is a professor

[Sh. Pranab Mukherjee]

in English, she knows better than I do - is one of its own kind. It is unique one; it has no parallel. Therefore the sovereign national legislatures will have to make that law to give the protection to the plant breeders. It will be your own law. What does 'effective' mean? Very often in the GATT you will find 'effective'. That 'effective' does not mean some sort of supervisory right. The laws, the rules, the decisions which you are going to have must be transparent. The laws which we are going to have to protect the plant breeders right and protect the farmers right must be effective laws. The law itself should be construed in such a way that by plain reading of the laws one would find the effectiveness of the protection provide to the transparent sense of the laws clearly indicate the farmers rights to the plant breeders rights through various provisions of laws. You have to provide it, that is sui generis, whatever you would like to give. Therefore you are making your own laws. (Interruptions)

Let me finish, then you will start interventions. I have listened to you; not now. I am not even at one-fourth of my observations.

This is a piece of legislation which is coming for your consideration. The Agriculture Minister is having discussions with you. An allegation has been made that we have not discussed with anybody. Most respectfully I would submit that if we go rough the sequences of events - please look into it - in 1986 September the discussion started; the timeframe was more or less decided that it will be concluded by December 1990.

But it could not be concluded by December 1990. Then, by December 1991,

the then Director-General, Arthur Dunkel brought out a proposal on which we thought that there could be an agreement. This is known as Dunkel Proposal.

[*Translation*]

SHRI NITISH KUMAR: This is an old point say something now.

SHRI PRANAB MUKHERJEE: Old is also to be repeated. I am just pointing out how we acted.

[*English*]

Thereafter, the Prime Minister appointed a Cabinet Committee under the chairmanship of Shri Arjun Singh. I have the whole list of persons with whom Shri Arjun Singh had discussions. You will find the names of political leaders, trade union leaders, leaders of Chambers of Commerce and Industry and various other experts. All the important personalities concerned, who wanted to give evidence, did come and give their evidence. Thereafter, he made a recommendation that we should have a discussion on the floor of the Parliament. Unfortunately, though we wanted to have a discussion, we could not have it in the whole of 1992 and 1993. Therefore, just to come to the conclusion that we did not want to have a discussion or some sort of a consensus to have a discussion, is not correct.

The question of Chief Ministers has been raised by Shri Jaswant Singh. When the negotiation was over by 15th December, I wrote to all the Chief Ministers on 20th January and I sent a copy of the draft to them requesting them to go through the draft so that we can have a discussion with them on it later on. Then, I have even reminded them. I am happy to inform you that six of

them have responded and the process for discussion is being started. It is not as if we had no discussions. To say that we are not discussing these issues and that we are taking unilateral decisions is not correct.

SHRINITISHKUMAR: What happened before December 1993?

SHRI PRANAB MUKHERJEE: I told you what happened before December 1993. Even in last April, all the political parties including the party of Shri Nitish Kumar, including the CPI (M), with the exception of BJP, have responded to our invitation and we discussed the issue. In respect of the report of Parliamentary standing committee I told as to why not act on it. Of course, the major conclusion of the Parliamentary Committee headed by Gujralji may be recalled and I want to quote the concluding recommendation of the Committee. It says:

“There are differing opinions expressed on the desirability or otherwise of India binding itself to the Uruguay Round. There is no denying the fact that the final outcome is not in the best interests of India on every count. But in multilateral agreements, it is always a question of give and take. Undoubtedly, in today's world, with increasing interdependence of nations, multilateral agreements with MFN status for all the participants are decidedly advantageous, as compared to bilateral agreements. Every country has the sovereign right to stay out of GATT and it cannot be argued that India's interests would be served best by giving up the membership of this forum.”

Therefore, it is not correct to say that there has not been any consensus or any discussion or any consultation.

Now coming to some of the substantive

issues raised by some of the hon. Members, I ought to clarify one issue in particular which was raised by Shri Jaswant Singh about the position of revenue foregone, as to whether it should be considered as I told as to why I could anement of subsidy or support that we have provided. The answer is no. Because subsidies are reduced to avoid trade distortions. Here, we have to keep in mind that foregoing these revenues is a device to exempt the poor farmers from paying land revenue, etc. All these belong to the category of resource-poor farmers.

As far as resource poor farmers are concerned, according to our statistics they are nearly 70 per cent. They do not come under any discipline at all even in this GATT. When I took into account the total aggregate measurement of support I went through a simple arithmetic. I took the total quantum of subsidy which we are providing through the State and the Central Budgets and through various other mechanisms. From there, I came to the conclusion. That there is no need of further reduction our subsidies I have already shown that to you. I am not going to repeat it. The level to which could go and the present level which is there is more than Rs. 19,000 crore of negative subsidy. Therefore, to my mind, it is not going to affect it at all.

Now, I will come to the areas of investment. This is a very important point. If you have different opinions about our investment policy, you are free to have it. If you are not in favour of the Industrial Policy Resolution which was placed before of this House and which was discussed in July, 1991, you are free to put your point of view. But when you are talking of GATT and when you are discussing Trade-Related Investment measures, there, you must not confuse. It is because the Trade-Related investment matters will be covered by

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GATT. I am just quoting from the agreement or TRIPs.

"The agreement on TRIPs is related to the trade in goods. The basic obligation of the agreement is contained in Article II which requires that the Members shall not apply anything which is inconsistent with the provisions of Article III, that is natural treatment or Article XI(1) - quantitative restrictions of the GATT. II(1).

As far as trade in goods is concerned, GATT does not compel you to open a particular area for investment from abroad for investment. GATT has nothing to do with this. Whether you open some area or not for investment, it depends on your own individual decision, on your own will. If you consider that foreign investment is necessary you open an area. The other day it was pointed out as to why do we want this.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Foreign chips will have to be allowed. If you want I shall come now. Right from Calcutta to Allahabad...(Interruptions)

SHRI PRANAB MUKHERJEE: You are talking about services. I am talking about investment.

SHRI NIRMAL KANTI CHATTERJEE: Shall I read it?

SHRI PRANAB MUKHERJEE: Let me do it now. Thereafter you can do it. It is because you have the habit of regarding something out of context. But let us not go into that.

Therefore, what I am suggesting is this. I would like to be corrected. Trade is directing investment. Whether your investment policy.. (Interruptions)

SHRI SOMNATH CHATTERJEE (Bolpur): You have an art of not listening to anybody!

SHRI PRANAB MUKHERJEE: You asked me whether GATT is compelling you to open your industry for investment. For that my contention is, it is not. You will have to decide yourself in which area you would like to have or not to have an investment.

SHRI NIRMAL KANTI CHATTERJEE: I am reading from TRIMs - To facilitate investment across the international frontiers. (Interruptions)

SHRI PRANAB MUKHERJEE: I do not know.

Now, I will come to services. (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: Sir, you wanted that only books to be referred to. I am only referring to books but he is not yielding.

MR. SPEAKER If he is not yielding, then you should yield.

SHRI PRANAB MUKHERJEE: Here I would like to make one point clear. There has been a lot of noise made here that we have opened up everything viz. commercial banking, insurance etc. What is the provision? It has been agreed. Our Commitment today is standstill. What is meant by, standstill,? It means the policy which prevailed during nationalisation of banks in 1969 and continuing till day remains

as it is. It has been agreed that as far as financial services are concerned, negotiations will go on even after six months of the completion of the acceptance of GATT 1994. Therefore, it will depend on the basis of reciprocity. If we consider that in our own interest certain areas would be opened up, we will be free to open them up. If we consider that certain areas should not be opened up, surely, nobody can compel us to open them up. (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE:
You have already opened them.

MR. SPEAKER: Shri Nirmal Kanti Chatterjee, no continuous commentary please.

SHRI PRANAB MUKHERJEE: Now coming to the areas mentioned, one point has been raised and particularly when Shri Rabi Ray was making his observations I was listening very carefully. Certain other hon. Members also mentioned what happened in April 1989.

I know one thing happened after April 1989, at the end of 1989, or in November-December 1989: They came to power. Did they suddenly discover that some conspiracy had taken place in April 1989? Did not they know where they were in power? The of one year, when they were in Government, when negotiations were going on why did not they realise that the sovereignty of the country was mortgaged? They had a Prime Minister. They had their Ministers, they had a Government, and for one whole year they did not realise it?

SHRI SAIFUDDIN CHOUDHURY
(Katwa): Governments are bad; Oppositions are good.

SHRI PRANAB MUKHERJEE: I can

appreciate the comment. However, on principle, I would like to appreciate the fact that Prime Minister disowns his Commerce Minister. In a parliamentary democracy collective responsibility means owing up. My simple point is that if such a great conspiracy took place after April 1989, where the sovereignty was mortgaged, economic independence was mortgaged then why for one full year, they could not discover it?

They told us immediately after assuming office that — the Finance Minister told us — that they had inherited empty coffers. The Railway Minister also told us that he was happy that the Railway administration had been very good and that he would like to carry it on.

We were also told that corruption at high places would be revealed. But we were not told for one whole year that the sovereignty of the country had been mortgaged by a decision in April 1989.

Sir, let us come to the concept of sovereignty and this mortgaging business. I am not going to quote either the President of the USA or from foreign journals. My knowledge is limited and my reference is only to this House, the Lok Sabha. I am quoting one observation here made on the floor of this House:

“You mortgaged our economic sovereignty, you hypothecated our national honour and dignity. You have annihilated the Indian economy. You have bound the entire nation to unscrupulous moneylenders.”

I was said to Shri R. Venkataraman, the then Finance Minister on the 2nd December, 1981 by a Member, who is not here today, but his party is here and they also spoke in the same tone. Therefore,

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sovereignty was mortgaged in 1981. In that case this is second mortgage they. Or, if I go back to 1966 devaluation, then it will appear to be the third mortgage! How many times sovereignty can be mortgaged? Therefore let us not take this.

SHRI SOMNATH CHATTERJEE: These comments will not help, Shri Pranab Mukherjee.

SHRI PRANAB MUKHERJEE: What I am trying to point out is; that the sovereignty of India was not mortgaged; in past nor it is going to be mortgaged now.

I have told you that each document cannot be implemented on this own. It will have to be implemented through legislation. Parliament has to legislate.

SHRI BASUDEB ACHARIA (Bankura): You have the majority.

SHRI PRANAB MUKHERJEE: Yes. We have the majority, we have the majority will of the country. We can do it. This is the basis of parliamentary democracy. *(Interruptions)*

SHRI SRIKANTA JENA (Cuttack): It is as a result of horse trading.

SHRI PRANAB MUKHERJEE: I am not talking of horse trading or sheep trading. *(Interruptions)*

Parliamentary democracy means that the majority decision will be there. *(Interruptions)* You may contest the decision. But once the decision is here, it is not the decision of the majority party. It is the decision of the House. Once the decision of the House is there, we shall have to agree to it. *(Interruptions)*

I am not going to be rhetorical at all!

SHRI SRIKANTA JENA: The cases of some of the hon. Members who are sitting on that side are in the courts. You are not enjoying a majority.

SHRI PRANAB MUKHERJEE: Alright I am not enjoying a majority. But in a parliamentary democracy when a decision is taken on the floor of the House, it becomes a decision of the House. Therefore, if a Parliament approves a piece of legislation which will give effect to the proposals of the GATT you cannot say that you are mortgaging your sovereignty. That is my limited point. Why I am claiming your propositions are in concert? Why I am confident? I am confident because if somebody says that tomorrow people will not be allowed to use Neem stick to brush his teeth people but find that they are using it no chowkidar has come to take away, that right your argument will fall flat. You ceaim that the farmers will not be allowed to keep their seeds. When the farmers will be able to retain their seeds, your argument will be flat. Why are you agitating today? Why do you not wait for another crop season? Why do you not wait? According to you sovereignty has already been mortgaged. That is your contention. On the other hand, you are not prepared even to wait for one crop season, to find out whether the farmers can retain the surplus of their own production and use it as seed. The point was raised on earlier occasion also. They will be able to multiply it. When you are having the right of exchange, when you are having the right of selling it...

(Translation)

SHRI NITISH KUMAR: Mr. Speaker, Sir, the hon. Minister is referring to unethical points in the House and teaching the same

too. It is unethical to suggest that we should sell seeds as grains. (Interruptions) Muster majority support through defections and sell seeds as grains.

[English]

SHRI PRANAB MUKHERJEE: One point, Mr. Nitish Kumar wanted to know, namely whether as a result of environment, United States of America can stand in the way of our exports. I can inform the hon. Member that U.S.A is a country which uses maximum chemical fertilisers. Therefore, if they are to put any embargo, they will have to think twice, what is going to happen to their products.

Secondly, the point which I have referred to, is not in the summit of G-15 countries but, of course, in a programme connected with the G-15 summit and I mean it. I just did not say only for public consumption. I said it in January. That whatever has been agreed, this is my clear understanding till today, that nothing will be reopened if any article has been reopened, every sovereign 117 countries will have its right to reopen.

I am precisely going to bring your attention this point. You just see article 2 where it deals with the breach of entrenched article. It is by all members. It is said that amendments to the provisions of this Article and to the provisions of this Article and to the provisions of following enumerated Article shall take effect only upon acceptance by all Members. That means, the veto which we have in article one will continue. Therefore,...

SHRI NIRMAL KANTI CHATTERJEE: I am challenging you. It is article X. There are some amendments for which, it is by two thirds. Look at article X.

SHRI PRANAB MUKHERJEE: You

can challenge so many things. Yesterday, the whole day I had to spend to explain to you that this is GATT 1994.

I a talking of the entrenched article which has been dealt in article II. That Article II will require, any amendment of the provisions mentioned in article II requires to be accepted by all members.

SHRI RUPCHAND PAL: What is written in Article IX? (Interruptions)

MR. SPEAKER: This is not going on record.

SHRI PRANAB MUKHERJEE: Now what is the sequence? The sequence is, on 15th of April, it is not going to be accepted.

18.00hrs

On 15th of April, the Minister are recommending to their sovereign Governments that this is the authentic document; this is the authentic conclusion of the Uruguay Round of discussions.

SHRIMATI MALINI BHATTACHARYA (Jadavpur): Is this the same that we have?

SHRI PRANAB MUKHERJEE: Let us not have any cross-talk now. Therefore, my point is this : suppose somebody wants to raise an issue. (Interruptions)

I do not have that much of chivalry as you have. (Interruptions)

SHRI SOMNATH CHATTERJEE (Bolpur): Have you circulated something else today?

SHRI PRANAB MUKHERJEE: No. The point is every article, very section has different pages. Please see the MTN/FA-11 on

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page 6 of this Article X(2) which says: "Amendments to the provisions this Article and to the provisions of the following enumerated Articles shall take effect only upon acceptance by all Members." What are these Articles? (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE:

It is not the whole thing. Article X is on amendments. These are meant for all members. The whole article is on amendments Please have a closer look at it. (Interruptions)

SHRI PRANAB MUKHERJEE: Let us not go into that aspect. I will now come to the question of seeds curing. What would happen? Seeds which are being developed by the publicly funded research institutions or the Universities need not be subject to any restrictions. The question came up: from where are we getting these things? Now, the point is that two thirds majority will be required. Some Articles are not in the nature of the entrenchment in respect of article I the veto right is there. That is an entrenched Article. That is my contention. Therefore, that Article is protecting the rights. The Articles which are not entrenched Articles can be amended by two-thirds majority. But the Articles which are entrenched Articles including Article I which is the basic Article, which deals with the basic right of the Members, that cannot be amended merely by the two-thirds majority. (Interruptions)

SHRI SOMNATH CHATTERJEE:

Therefore, what you say is that cannot be easily altered.

SHRI PRANAB MUKHERJEE: My point

is different. You have not allowed me to complete my point. I can complete my point. If you permit, if you want. My point is: if this

was regarded as the final conclusions of the Uruguay Round of negotiations. at we are going to have on 15th is the authentication. When you have the authentication, you cannot bring in new issues. If you want to bring in new issues, then, every Member will have the right to bring in new issues. We are governed by Article I. That Article I will be a part of GATT 1994 when it will be accepted on 1.1.95. But what is going to govern the proceedings on 15th of April is not these provisions here, that is, the existing provision of GATT. That is why I mentioned yesterday that there will be an overlapping period when this will be in operation and GATT 1947, as amended from time to time till 1979, will also be continuing simultaneously.

SHRI SOMNATH CHATTERJEE: How long will it continue?

SHRI PRANAB MUKHERJEE: I think, till the integration is there. Therefore, my contention is, the point which I wanted to put across is that these are extraneous issues. What are they trying to do? Let us be very clear on this issue and how can we prevent it. There are three elements. I have no hesitation in saying that the developed countries combine together. You are talking of the GATT regime. Are we the only concerned persons? It is not like that. All the 117 countries are concerned about it. All the 117 countries have some a patriotic sense. Let us not think that only we are patriots only we are concerned about this documents. Everybody is also weighing where the advantage lies. If we find that the balance of advantage lies in being a Member of the GATT and particularly the context of the prevailing scenario, what will we do? Of course, in many areas, there is a weakness. I do not say that everything is quite clear. The ambiguity is there. It was there in 1947. It was there after the Havana Round of talks. It was there ere after the Tokyo Round of

talks. When various countries make their legislation, they try to put it in into implementation. If one comes in contradiction with the other, then, the dispute settlement mechanism comes in and then through bilateral discussions, through the fora which are available, they settle it.

Therefore, it is not correct to say that whatever is written here is going to be applied in letter and spirit because while implementing it, we will find that there may be many areas, grey areas are there, which will have to be clarified and those will come in the course of dialogue and discussion. (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Is it your proposal on social laws?

SHRI PRANAB MUKHERJEE: No, it is not there. That is why I am saying that you cannot bring it. (Interruptions)

SHRI SOMNATH CHATTERJEE: I want to ask about the social cost. It is rather disquieting. I do not know about it. You know about it as the Commerce Minister that the US and other developed countries have proposed a countervailing duty. In Marrakesh Declaration it will put a final seal of approval. Developing countries like India may as well as give up trading with US sponsored move to introduce the social costing into the price mechanism for exports become a reality. I would like to know what is your information and what is the response.

SHRI PRANAB MUKHERJEE: Exactly this is my problem, my concern. There is a pressure that it should be brought in. And this point was raised in an informal discussion at Davos also. There first I raised it and many of the developing countries agreed

with us that these are extraneous issues. We are saying that it is not that we are not concerned with human rights; it is not a fact that we are not concerned with the labour rights; it is not a fact that we are not concerned with environment. But our points is, in each area, there is a separate forum. ILO is there; United Nations Human Rights Commission is there. And also we are committed to the Montreal Declaration, we are committed to the Rio Declaration so far as environment is concerned. But we do not want that this should be brought as a non-tariff barrier. If you say that the Uruguay Round of discussion has message and if that message is to create an uninterrupted trade flow from each of the developing countries to developed countries without any tariff barrier or without any non-tariff barrier, then simply in the name of the environment, in the name of the social cost, you cannot raise any fresh non-tariff barrier.

SHRI SOMNATH CHATTERJEE: That is what you are saying. But are they accepting it?

SHRI PRANAB MUKHERJEE: That is the position. Now if somebody wants to insist on it then what option we will have. Every country, it is not merely our concern, every 117 countries will have the right to say that you cannot simply bring it. So far as my information goes, the discussions which are going on, perhaps, in a day or two, it will be finalised. Many of the developing countries and some of the developed countries say that it should not be accepted. (Interruptions)

SHRI SOMNATH CHATTERJEE: Can you say this categorically on the floor of the House that the Government of India will never accept it? Kindly say this. (Interruptions)

SHRI PRANAB MUKHERJEE: My position is quite clear. *(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE: Because of this countervailing duty, the advantage that we have is the low level of economy. Let him say that. *(Interruptions)*

SHRI SOMNATH CHATTERJEE: Do not hedge it.

SHRI PRANAB MUKHERJEE: No, no. Let me explain. I am having an opportunity of having a discussion with a large number of countries. We are going to host ESCAPA. 50 countries are joining this session. Therefore, let us not formulate our views right now. Let us have a discussion with them. What I have said already is on record. I have said it in Davos. I have said it in Delhi that we do not want any extraneous issues to be raised. But surely, I cannot say that...*(Interruptions)*

[Translation]

SHRI NITISH KUMAR: Please also tell what purpose will it serve? *(Interruptions)*

[English]

SHRI PRANAB MUKHERJEE: I am making it quite clear that I cannot bind myself. *(Interruptions)* I am not committing myself; I am not binding myself in any way. Thank you, Sir. *(Interruptions)*

SHRI SOMNATH CHATTERJEE: Hon. the Commerce Minister has himself expressed great reservations. He said that it will be dangerous for us. If USA and other developed countries impose countervailing duty, where will you export? What will you export, Mr. Commerce Minister? This is his statement also. That is his apprehension also. But today India cannot stand up and say this.

The entire Parliament will support you. This is the surrender we have been com-

plaining. This is nothing but compromising our dignity. He cannot say that. The Cabinet Ministers cannot say that. What is this? It has to be clarified. Let Shri Pranab Mukherjee say...*(Interruptions)*... They must say that. What will happen if Super 301 is imposed? The whole Parliament will be with you Shri Pranab Mukherjee. Please stand up. ...*(Interruptions)*... They are talking of consensus. When we are offering it, they do not stand up. This is a spineless Government. This Government has become spineless; a coward Government. We cannot accept compromising our independence, our dignity and position. Therefore in protest we cannot participate in it.

18.11 hrs

At this stage Shri Somnath Chatterjee and some other hon. Members left the House.

SHRI SRIKANT JENA (Cuttack): On this issue we are also walking out.

18.11 1/2 hrs

At this stage Shri Srikant Jena and some other hon. Members left the House.

SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): He has not answered the questions that we have raised. Therefore we are walking out.

18.12 hrs

At this stage Shri Sobhanadreeswara Rao Vadde and some other hon. Members left the House.

SHRI BHOGENDRAS JHA: Along with the USA, France also is reported to have supported this move. ...*(Interruptions)*... In such a situation US is being supported by France. According to the Final Act, France is a member of the ...*(Interruptions)*...

MR. SPEAKER: These things are not going on record. Why are you speaking? (Interruptions)* ...

18.12 1/2 hrs

At this stage Shri Bhogendra Jha and some other hon. Members left the House.

(Interruptions)*

18.13 hrs

At this stage Shri M.R. Kadambur Janarthanan and some other hon. Members left the House.

MR. SPEAKER: He has made the point very clear. He, as a Minister, on his own, in such complicated matters, at the spur of the moment, is not expected to respond.

SHRI JASWANT SINGH (Chittorgarh): Thank you for permitting me to ask clarifications. Two or three of them are reiterations of the points that are made when I had an occasion to intervene. Those points have remained unanswered; but I feel they are sufficiently important. Firstly, I want to be clear in my mind about the understanding of the process. Is it correct that between authentication at Marrakesh on 15th April and subsequent ratification by national legislatures there is no option available to change anything in the Final Act? This point has been repeatedly made and it has a very direct relevance to what I am going to come to subsequently. The hon. Commerce Minister has asserted earlier on 15th December when we had a discussion that after 15th December it would be very difficult for any Government to change what is accepted on 15th December. Now it is going to be ratified on the 15th April. After authentication on 15th April and ratification

by national legislatures, which is a period which might last over nine months, is there any option for change? If there is no option for change, then how does the question of social costs come at all?

MR. SPEAKER: That point is clear.

SHRI JASWANT SINGH: Secondly, what is the status of the World Trade Organisation and National laws?

The point was raised by me that once the WTO comes into existence, national laws of the variety of US Section 301 must no longer apply. I wish to ask the hon. the Commerce Minister to clarify here that that will not obtain as soon as the WTO comes into existence. There still remains ambiguity on that score.

Fourthly, I had requested a clarification as to why Annexures 4(a) to 4(d) to the plurilateral agreement are not contained in the document that has been circulated. From what I understood from the hon. Minister's clarification, they have not been circulated because we are not a party to those agreements. My query even then is why we are not a party to it when this is an entire and total agreement. The first annexure is about trade in civil aircraft. Why are we not a party to the trade in civil aircraft? Second is about the government procurement. Why are we not a party to government procurement? The third is about international dairy agreement. What is it that has prevented us from becoming a member of the international dairy agreement. Fourthly, there was an agreement about bovine meet, which is, of course, understandable. These have not been clarified. I request the hon. Minister to kindly clarify.

SHRI DAU DAYAL JOSHI (Kota): Mr. Speaker Sir...*(Interruptions)*.. *

MR. SPEAKER: What Shri Joshi is saying will not form part of the record.

SHRI PRANAB MUKHERJEE: Sir, hon. Member Shri Jaswant Singh has raised a very pertinent point about social causes. This exactly is the argument that I am using against those who are trying to include social causes. After seven years of strenuous exercise, we have come out with a document. If you want to make any change, then it will not be confined only to your desire. All the 117 countries would like to choose their options. Then, the whole Pandora's Book will be opened. This is the argument that we are using and we are saying that there should not be any change in the document itself. This is the practical point of view. But technically, it can be done. When the Ministers are meeting, it is not merely the Ministers of developed nations alone. There will be 117 Ministers and if all the 117 Minister say that they want to make a change, legally there is no restriction. But practically, problems will arise. After a strenuous effort of seven years, whatever be the outcome, it cannot be one hundred per cent satisfactory to each and every one. It is true even in the case of powerful countries or a group of nations. Seeking a change would open a Pandora's Box. But legally speaking, the Ministers have a right.

MR. SPEAKER: If the requisite majority of the Ministers want it, they can do it.

SHRI JASWANT SINGH: Does that mean that the Final Act can be changed?

MR. SPEAKER: There is an amending clause which requires a certain number of countries. If that certain number of coun-

tries ask for an amendment, technically, it can be done.

SHRI JASWANT SINGH: Mr. Speaker Sir, if you permit my saying so..

MR. SPEAKER: That is what he said. This is not my statement!

SHRI JASWANT SINGH: Then I think that it becomes very necessary that the Commerce Minister should give us an assurance here that if such a situation arises...*(Interruptions)*

SHRI PRANAB MUKHERJEE: Jaswantji, I have not replied to your query regarding the annexures. Before you walk out, you may please listen to my clarification. I am not giving any assurance and in that event you are likely to walk out. So, before walking out, kindly listen to my reply as to why we are not a party to the annexures.

These points were made in the Tokyo Round of discussions. You know GATT and its jurisprudence. It has 40 volumes which runs into thousands of pages. Those things have been mentioned at the plurilateral agreement. These are the Agreements which going on from the Tokyo Round. In the Uruguay Round, they were not brought. In the Tokyo Round we were not party to it. Therefore in the Uruguay Round also there was no question of our being a party to it. This point has been clarified in Article II of the agreement establishing multilateral trade organisations. I will quote Article II which says:

The agreements and associated legal instruments included in Annexures 1,2 and 3 (hereinafter referred to as "Multilateral Trade Agreements") are integral parts of this Agreement, binding on all Members.

In regard to plurilateral agreement, in clause 3, they have said that these are not binding on those who are not Members or who are not going to accept it.

Now I will come to the first clarification which you had sought for. I would like to say that this will be the authenticated version of the Uruguay Round of discussions. The moment I authenticate it, I cannot change it. The moment these are recommended - the final results of the Uruguay Round of discussions which you are recommending to the respective countries either for their acceptance or for their rejection after 15th April to the sovereign countries by the Group of Ministers, then you cannot change. You can accept it or you can reject it. There has been a mention that the ratification should be made by our Legislature. So far as ratification is concerned, it mess under the jurisdiction of the executive. It is the Cabinet which should ratify it, it is the Government which should ratify it and not the Parliament.

SHRIJASWANT SINGH: Mr. Speaker, Sir, it should be very easy for the hon. Minister to say that between now and 15th April viz. the authentication of the Final Act, we will not accept US demands for social cause.

MR. SPEAKER: The categorical suggestions cannot be given by any Minister without consulting his Cabinet Members.

SHRI PRANAB MUKHERJEE: I am using this argument as to why it should not be brought. That was the spirit when I said that extraneous matters should not be brought to stand in the way of the Uruguay Round of discussion. That is my position. I have said it.

[Translation]

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Speaker, Sir, I object to the

observation of the hon. Minister of Commerce that we intend to stage walk out. At least we do not intend to stage walk out on our own sweet will. If compelled we will be forced to discharge our duty.

Recently I have come back after attending G-15 summit's last ceremony. The document approved by G-15 expresses the views of the developing countries. However, the document also points out that the affluent nations on the one hand are going to sign GATT and on the other hand are going to create more problems regarding trade.

Dr. Manmohan Singh accepted that the world is based on the principle of inequality. The question is whether inequality will increase or not? By signing this document intend to fight against inequality. I would like to know whether it will increase or we will jeopardise our sovereignty. In the afternoon also I raised this point and I am again raising it now. If Shri Mukherjee is not in a Position to reply there it is altogether a different matter. Shri Mukherjee in an interview to "Dainik Jagran" has conceded that the agreement is being signed under duress. In fact the agreement is not good but we will be isolated in the world. We want to be a part of world trade. Shri Jakhar is not present in the House. I would like to submit that if within six months it becomes clear that the agreement is not beneficial to the country and the farmers then will we be taking recourse to the withdrawal clause. I want categorical reply. Situation is serious. Please reply.

[English]

SHRI PRANAB MUKHERJEE: It has not yet come into force. Let it come into force and then we will see.

MR. SPEAKER: He says that he will cross the bridge when he reaches there.

[Translation]

SHRI ATAL BIHARI VAJPAYEE: Even before crossing bridge we will be drowned.

[English]

SHRI PRANAB MUKHERJEE: Let us to the bridge. We have not yet reached the bridge. We are far away from the bridge. Let us reach the bridge and then we will see.

[Translation]

SHRI ATAL BIHARI VAJPAYEE: This reply is not satisfactory. You have accepted that for enacting laws in this regard the Government will have to come to the Parliament. Our protests are on and even walk out will not resolve the issue. We stage walk out and announce that our protests will continue.

18.26 hrs

Thereafter Shri Atal Bihari Vajpayee and some other hon. Members left the House.

[English]

MR. SPEAKER: I must say that all the hon. Members participated in this debate in a very thoughtful manner and cooperated also. They deserve our congratulations.

MR. SPEAKER: The second item on the Agenda is a Statement by Minister.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Can I lay it on the Table of the House, Sir?

MR. SPEAKER: Yes, please.

18.26 1/2 hrs

STATEMENTS BY MINISTERS

(ii) Important changes in the Export and Import policy, 1992-97

THE MINISTER OF COMMERCE : SHRI PRANAB MUKHERJEE: I bag to lay on the Table a Statement containing important changes in the Export and Import Policy, 1992-97 as on 30-3-1994.

[English]

STATEMENT

Hon'ble Members are aware that the new Export and Import Policy was announced on 31st March 1992 for the five year period (1992-97). Subsequently, on 31st March 1993 I informed the House of the changes that we had made in the Export and Import Policy for the year 1993-94. In the revised policy special attention had been paid to the growth of exports in the agriculture and allied sectors and I am happy to inform you that those measures have yielded handsome dividends and our exports in the agriculture and allied sectors have grown by 45.3% during the last one year.

Another important liberalisation measure announced last year was the deletion of 144 items from the negative list of exports in order to give an impetus to our trade. Our exports have responded well to these changes and show an encouraging growth about 21% in dollar terms during the first eleven month of 1993-94 as against a growth rate of 3.8% in 1992-93 and negative growth of 1.5% in 1991-92. What is more heartening is that this step up in export