

will start on 25.05.2008 and the election shall be completed by 28.05.2008. It is evident from the above that it would be necessary to extend the President's Rule in Karnataka beyond 19th May, 2008 as the general election to constitute the new Legislative Assembly cannot be completed before 19th May, 2008.

In view of the above, it is proposed that the President's Rule in Karnataka may be extended for a further period of six months with effect from 20th May, 2008. I seek the approval of this august House to the Resolution moved by this House.

MR. DEPUTY CHAIRMAN: Since there is no Member to speak on this Resolution, I shall put the Statutory Resolution to vote. The question is:—

"That this House approves the continuance in force of the Proclamation dated the 20th November, 2007 in respect of Karnataka, issued under article 356 of the Constitution by the President, for a further period of six months with effect from the 20th May, 2008."

The Motion was adopted.

MR. DEPUTY CHAIRMAN: The House is adjourned to meet at 2.10 p.m.

The House then adjourned for lunch at one of the clock.

The House reassembled after lunch

at thirteen minutes past two of the clock.

MR. DEPUTY CHAIRMAN in the Chair.

Discussion on the working of the Ministry of Commerce and Industry

SHRI RAVI SHANKAR PRASAD (Bihar): Sir, how should I begin? I don't see the Minister at all.

MR. DEPUTY CHAIRMAN: Two Cabinet Ministers are there. You can start...*(Interruptions)*...

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI V. NARAYANASAMY): Sir, the hon. Minister is on the way. He is coming. There is a delegation. There is a lunch for visiting delegation. Therefore, he will be delayed by two-three minutes. That's all.

PROF. P.J. KURIEN (Kerala): In any case, it is collective responsibility. So, you can start.

MR. DEPUTY CHAIRMAN: He had requested for ten minutes.

SHRI RAVI SHANKAR PRASAD: I have no problem, Sir. But, I have to ask a lot of questions today from the hon. Minister of Commerce and I am sure my very good friend, Mr. Narayanasamy, a very hon. Council of Minister, will not be able to respond to those questions which I am going to ask. Therefore, I would have really appreciated had the MoS been here. There are two Ministers of State in that Department, Sir. I would have really appreciated if one of the Ministers of State is present to take down notes, at least, of the queries which I am going to raise today.

MR. DEPUTY CHAIRMAN: I think, we have the Law Minister here who will be able to do it.

SHRI RAVI SHANKAR PRASAD: Sir, I am grateful that you have given me the opportunity to make my own observations about the functioning of the Ministry of Commerce and Industry. It is a big Department being headed by an eminent Minister with wide political and administrative experience. He is ably assisted by the two Ministers of State, my good friend, Mr. Ashwani Kumar and my other good friend, Mr. Jairam Ramesh who I don't see here, who has a serious concern that he is only asked to write replies to Unstarred Questions. But, today, I want to assure Mr. Jairam Ramesh, if he is listening to me, that I will be using a lot of his own replies to nail the functioning of this Department.

Sir, we hear a lot of laudable objectives of this Department. Some of them, figurewise, look quite exciting. When I go through the glossy cover of the Annual Report of this Department, the picture which emerges is as if everything is wonderful in this Department. But, Sir, the moment one minutely observes the working of this Department and tries to open the shining cover of the cupboard of this Government, one finds a lot of skeletons lying beneath there. And, today, it shall be my attempt to bring those skeletons out one by one to seriously ponder and reflect on the functioning of this Department.

Sir, today, the first skeleton, which I seek to bring about, is the manner in which the Special Economic Zone is being worked out. Sir, when I was going through the Annual Report of the Ministry of Commerce, I found that 439 Special Economic Zones have been given the approval, out of which 201 have been notified.

Sir, Special Economic Zone has been a good idea. We are proud to say that the NDA Government initiated it with a view to making our export industry more competitive, having a special zone where they could produce a world-quality production with incentive to export them. But a good laudable objective, under the present dispensation, has, unfortunately, degenerated into a 'scandal of land grab.' When I make this comment, I make it with full sense of responsibility. Sir, let us see that we have got 439 Special Economic Zones approved by this Government. I am happy that the hon. Minister is here.

As I said, the Annual Report says that 439 Special Economic Zones have been approved. In the entire world, there are only 393 Special Economic Zones. We talk a lot about China. In China, there are only six mega-size Special Economic Zones. Sir, when I go through the Annual Report further, I find that in these 439 Special Economic Zones, a huge land area of 60,168 hectares is involved. The Report further says that out of those, 97 are State sponsored SEZs or State industrial Development Corporation SEZs. And the land area in that is 20,000 hectares. It is either the State Government land or the land in possession of private parties which are sponsoring those SEZs.

Sir, very fairly, I exclude those 97 SEZs and the 20,000 hectares of land involved therein, because it is the Government land. Therefore, if I minus 97 out of 439, there are altogether 342 Special Economic Zones covering a land area of 40,168 hectares which is sponsored by private parties or private land. All this statement I am making upon the strength of the observations in the Annual Report of the Ministry. I have got a copy of that.

Now, Sir, I said a 'scandal.' Why I said it a 'scandal?' Now I am elaborating it. The Ministry of Commerce came with a very brilliant idea. In any Special Economic Zone, one is the processing area where a unit is there and other facilities are there; and one is a

non-processing area where unit is not there. What this Government did was that it initially allowed the use of 65-75 per cent of the total area of an SEZ for non-processing purposes. But the entire benefit of the SEZ was given there, like tax benefits and other benefits. This one particular decision of this Government gave the biggest incentive to real estate speculators to start making a beeline for acquisition of Special Economic Zones. Sir, I was surprised that bodies, companies, real estate developers, having no experience whatsoever in export promotion or manufacturing, made a beeline for taking over the Special Economic Zones. Now, what happened? Since the same incentive was available for non-processing area, it became a prized item, and there are instances where the processing area did not commence but the non-processing area started making a great promising growth on the highway of corruption. Let me explain it. They gave the argument that we need those lands for social infrastructure in that SEZ. Social infrastructure is a very nobly sounding expression. But you scratch it, and under the grab of social infrastructure, we see hotels, restaurants, malls and what not. Therefore, the land is being given for export promotion, but, what in effect is happening, is real estate promotion. Sir, one issue of some importance I would like to highlight, and I hope, the hon. Minister listens to my observations, and I would like to have a response from him. As I stated earlier, there are 337 known State SEZs and 40,000 hectares of land. We all know that there is a multi-sector SEZ, more than one product, there is a specific sector SEZ, there are SEZs for gems, jewellery, biotechnology and IT. Now, what is the land requirement? Is there any norm? Anyone applies for any SEZ and he is given big area. Why I am asking this question is, if 40168 hectares is the land being covered by 338 SEZs, hon. Minister, I very respectfully urge you to kindly respond, these 338 SEZs approved by your Government concern which sector? How many of them are multi-sector, how many of them are 5,000 hectares, how many of them are below 5,000 hectares, how many of them are for gem and jewellery, and how many of them are for biotechnology? The reason as to why I am asking this question is, we have seen the report of the Parliamentary Standing Committee on Commerce, headed by Dr. Murli Manohar Joshi. They have made two, three very pungent and relevant observations after hearing all the stakeholders. They have stated that the maximum area should be only 2,000 hectares in case of cultivable land, if they criss-cross, in case of wasteland, it should be 5,000 hectares, and they have stated that in case of gem and jewellery, the maximum need is 20 to 25 hectares. Now, why I said it has acquired a scandalous proportion Mr. Minister is that you have given a flat uniform permission for use of 65 to 75 per cent of the area of SEZs for non-processing purposes. Why is it so? Why was it not sector-specific? If I can have my SEZ for gems and jewellery in 25 hectares, why should I need social infrastructure there? There is a market available in the vicinity because most of these SEZs are coming closer to urban conglomerates, and rarely there is a Government land separately. I can understand that. Therefore, the second question after the first one about the size part is, why uniform exemption for non-processing area without regard to which sector that SEZ is coming. These are disturbing questions. I regret to say Mr. Minister that the way SEZs operations have been done, is really disturbing. You came with an SEZ Act in 2005. We thought that now it will acquire sharper proportions. But there is greater confusion, greater uncertainty, and land speculators are getting exciting opportunities to go for big land deals. That was not the concept of SEZ. When I say that, there have been objections also. I hope that you are aware of the empowered Group of Minister's stay decisions, taken in March, last year. Mr. Deputy Chairman, Sir, there are two models of SEZs in this country. One is the model which I am just talking about, which has scandals and corruption in the cupboard. There is one more model, the Left model, the Singur model, the Nandigram model, where we have the mayhem and destruction, and what not. But there have been concerns—if I am mistaken, I would like the hon. Minister

to clarify. In January, this year, the Government of India stopped giving any further approvals. Now, probably in the first or second week of April, that embargo has been lifted. And that embargo has been lifted with the condition that the maximum size of an SEZ shall be 5,000 hectares, and the reservation for a processing area shall be 50 per cent. Still, 50 per cent is available for a non-processing area, namely, for hotels; namely, for restaurants, and, namely, for multiplexes! Sir, I should be very fair; I can never have any grievance if, in an SEZ, a canteen comes for the workers working over there, if a hospital comes for the workers working over there. I won't have any objection. But why this flat-use? I fail to understand! Now, there is a cap of 5,000 hectares. But I have heard that the Ministry of Commerce has sent a proposal that we should be given the right to relax it on a case-to-case basis. Sir, the moment I heard the expression 'case-to-case basis', I have become a little jittery because, as someone commented in a humorous manner, the distinction between 'case-to-case basis' and 'suitcase-to-suitcase basis' is phoney and, at the same time, looks similar. And, therefore, Sir, *...(Interruptions)...* Mr. Kurien, you are a very senior Member; come on, wait for *...(Interruptions)...*

MR. DEPUTY CHAIRMAN: No, no, no. He is Mr. Sanghi !

SHRI RAVI SHANKAR PRASAD: Oh! Sorry. Mr. Sanghi. *...(Interruptions)...* Mr. Sanghi. *...(Interruptions)...* Wait for it. You will have enough time to reply! *...(Interruptions)...*

SHRI V. NARAYANASAMY: Don't make any wild allegations. *...(Interruptions)...*

SHRI RAVI SHANKAR PRASAD: Sir, I want to make it very clear. Sir, that I respect the seniority of the hon. Minister of Commerce, but I regret to say that whenever this question is raised in the Parliament, there has been a consensus across the board here, but there has been a sense of unease, be it we, be it my friend Mr. Raja, or even the Members sitting on the Treasury Benches, because there is something wrong in the entire functioning of these whole SEZs. Therefore, today, I request the hon. Minister to clarify all these doubts about the whole SEZs. And, Sir, I say this with great respect, I mean with full sense of responsibility, that the reckless speedy manner in which the approvals have been granted about the whole SEZ operation, certainly, raises a serious doubt. Sir, if I can draw upon my experience of law, if you have to prove a taint, look for suspicious circumstances, and so much of suspicious circumstances I have just enumerated earlier. That is enough to clarify as to how this whole operation stands deeply surrounded in suspicious circumstances.

Sir, about SEZs, I have to make two observations more, and I would like the hon. Minister to respond. This silver industry of IT has brought a great pride for the country in the Software Technology Park scheme. The total export earning roll-over of this sector is 23 billion dollars, which is likely to rise to 60 billion dollars near 2010. What we have heard is that an obligation has been given that they must shift to the Special Economic Zones by 2009; otherwise, they will lose all the benefits of tax incentives etc. If this is the scenario of the working of the SEZs, why should they be forced? These IT industries are a matter of great pride for the country. Therefore, I demand that the incentives that are being given to them be extended for the coming ten years more. Sir, when I talk of SEZs, I would also like to raise my voice for the sake of farmers. Their lands are being taken; 40,168 hectares is a big stretch of land, Mr. Minister; you are aware of that. We would like the farmers to be paid proper compensation. It is a question of their livelihood. Market value is important. There should be no forcible acquisition and let them become stakeholders in the entire process. How can we give the best bargain to them? I would like the

Government to respond to that because we have seen what happened in Singur; we have seen what happened in Nandigram. We see rumblings in Maharashtra; we see rumblings everywhere. It is time that the rights of small marginal farmers ought not to be sacrificed completely at the altar of Special Economic Zone. Therefore, we would like to lend our strong voice to the rights of the Indian farmers whose lands are being acquired.

After making my comments on the working of Special Economic Zones, now, I would like to make certain observations on other issues affecting your Department. There is a very serious issue. On account of rupee appreciation there are disastrous consequences which are troubling us. I hope you are aware of that. Mr. Deputy Chairman, Sir, let me inform you that it is a matter of pride that the Indian rupee is appreciating *vis-a-vis* dollar. But it is also bringing in disastrous consequences. The rate of appreciation is nine per cent. But 70 per cent of Indian exports is pegged against dollar. Therefore, our export margins are shrinking and seriously affecting our exports. I have got the reports of the FICCI with me. I am told that many of the Government-owned bodies under the hon. Minister's Ministry have raised serious concerns about that. I am told that 40 lakh skilled and unskilled workers have lost their jobs because of the weak acceleration in exports. In fact, I would like to present before you the FICCI report about the entire extent of damage that the country is facing. I would like to explain very briefly the extent of trouble that we are having. In the case of handicrafts, exporters have reported 10-15 per cent decline. The handicrafts of India are a matter of great joy. In the case of auto components, we have done so well in automobile and scooters. The slump is 33-45 per cent. The most disturbing area is the textile segment. In the case of textile and handicrafts, the average exports went down as low as 34 per cent. The knitwear industry has declined up to 6-7 per cent. Which are the beneficiary countries? Vietnam, Thailand, Bangladesh and our neighbour, Pakistan. Now, Mr. Minister, it is a serious matter. If 40 lakh skilled and unskilled workers are losing their jobs because of rupee acceleration, then we need to do something. You did something like giving them subsidy in interest. That is just a window-dressing. What specific measures have been taken? We would like you to take the House into confidence. It is very important because, though our export is shrinking, our import bill is not shrinking. This is very important to be appreciated because 73 per cent of Indian import goes towards writing off the energy bills, the crude oil which we take. Their cost is high. Therefore, our import bill is going high and our export bill is shrinking and so many people are losing their jobs. Forty lakh skilled and unskilled workers are losing their jobs as per the estimate which many of your own bodies have confirmed. Therefore, Mr. Minister, I would like you to properly respond to it.

Mr. Minister, the other issue now I come to, with your permission, Mr. Deputy Chairman, is: What is the policy of the Government on retail? रिटेल में बहुत उल्लेख-पुल्लेख है। We don't know where they stand on FDI; we don't know where they stand on single branding and multiple branding. We know that, in India, the consumers' choice is rising. The middle class is rising. We are proud of that. But we should also know that giant Indian companies have come. The consumer is becoming quality conscious. Those are matters of appreciation. But you are sacrificing the interest of the small simple grocery shop-owner or shopkeeper who has kept India intact for the last hundreds of years; who has got a family link in his village, in his mofussil town, in his sub-division with his customers from generation to generation. His only misfortune is that he does not have big bank balance, big institutional lenders and FDIs. So far as we are concerned, we stand totally committed to safeguarding

the interest of these small shopkeepers. Mr. Minister, I am told that even your leader was not happy with you so far as FDI matter is concerned. She also wrote, I am told, as to what was this happening. Now the Department of Industrial Production is looking into the matter and is coming with a report. We would like to know about a very clear stand of your Ministry so far as this whole FDI in retail is concerned. We have our serious concerns, which we have expressed from time to time. Therefore, today, Mr. Minister, with great respect to you, we would like you to clarify where do you stand so far as FDI in retail is concerned. Is it on the backburner? Is it on the front burner? Are you in possession of certain studies as to what impact it will have on small shopkeepers, grocery owners so far as introduction of big FDI in retail is concerned? I would like you to kindly take the House into confidence so far as these serious concerns are there.

Now I come to the manufacturing sector. Shri Kamal nath is not only the hon. Minister of Commerce, he is also the hon. Minister of Industry. Therefore, this sector also comes under him. I would like to pose certain queries to him. It is a matter of serious concern that our industrial growth has slumped. It was 11.8 per cent in the year 2006-07. It has gone down to 8.1 per cent, if I recollect the statistics correctly. Even the Economic Survey seriously notes this grave slump in the area of industrial production.

[THE VICE-CHAIRMAN (PROF. P.J. KUREIN) in the Chair]

What is the manufacturing policy of this Government? This is a very serious question. We do not know it today. You have constituted a Council headed by Shri Krishnamurthy, the National Manufacturing Competitiveness Council, which is a very high sounding word. This Council gave a report, a year ago, that we need to have proper manufacturing policy, incentives and R&D. Has the Government accepted the report. What is the final roadmap you have laid down for encouraging competitiveness in the Indian manufacturing sector? I need not highlight this issue. But unless we increase the manufacturing sector in the country, we cannot have double-digit growth. Based upon 8 per cent growth rate we cannot have that growth rate at all. Why has this issue become a matter of critical importance? Now China is overtaking us in the manufacturing sector, in the service sector. They have overtaken us because of the industrial-friendly incentives. The balance of trade today is shifting in favour of China. Initially, we tried to score over them. Therefore, it is a matter of very serious concern. We would like to know from the hon. Minister as to what is the entire gamut of manufacturing policy; as to how he proposes to reverse this trend and encourage manufacturing competitiveness in this country. Sir, there is one more interesting issue which has scandalous proportions. When I say that, I say that with some sense of responsibility. What is the policy of the Government so far as export-import of foodgrains is concerned? We do not know. It is *ad hoc*, full of uncertainty and causing great distress to Indian farmers. Sir, I am told that on 31st of March this year, duty on import of milk products has been reduced by nearly 10 per cent. Sir, I was amazed. We used to take great pride that Indian dairy products were the best products in the world in terms of productivity. The quality was improving. We are proud that during the NDA regime we reached that height and exports also grew by as much as 37 per cent. अब क्या 4 साल बाद हमें विदेश का दूध पिलाया जाएगा, विदेश का मट्ठा लाया जाएगा? What is the rationale? I want to know this. I would like to quote the statement of a very key functionary of this Government, who happens to be the Media Advisor of the Prime Minister. He was addressing the IISS-CITI India Global Forum. I am referring to Mr. Sanjay Baru. He may not be able to make the same argument against the U.S. subsidies. He said, "It would be in the interest of India to favour continuation of farm subsidy by the U.S. and the European countries so that the import prices remain low." I was amazed when I heard that. Yes; I must mention here that the

Ministry of Shri Kamal Nath Issued a clarification that it was his personal view. But the fact remains that he is the Principal Media Advisor of the hon. prime Minister. Therefore, are we reverting to the whole scenario that India shall only survive by importing foodgrains from abroad? I again recall the days of Shri A.B. Vajpayee. In the year 2003, we exported foodgrains worth Rs. 7,000 crores to 25 countries. What has happened in five years' time? Why is this sense of unease, this sense of lack of optimism? There is something really amiss. I came to know about the hon. Minister's comment. I believe it is wrong; I would like him to clarify that. He had gone to attend the Malaysian Trade Council meeting. There, he made a statement and I quote: "Fifteen million people, living below the povertyline, are having two meals a day. Now, India has a huge market for import of food items." What is this statement about? Are we making a mockery of poverty? Are we so insensitive about it? These are issues of serious concern. We have problems on price rise. We issue notification stopping exports of particular food items. There is a great irregularity in that. *Ad hoc* decisions have been taken. What is being imported has found to be of spurious quality. We have heard about it a number of times in the case of wheat. We have raised that issue in Parliament. I would like to raise a very specific issue, and I would like the hon. Prime Minister to clarify it on the floor of the House because we are debating the functioning of the Working of this Ministry. I have myself raised it and I had also written to the Prime Minister. In 2006-07, because of the great price rise, a decision was taken to ban the export of pulses. Fair enough; it was a Government decision. Thereafter, a notification came—I have a copy of the Notification with me—that because the ban was enforced in May, 2006, anyone, who has the Letter of Credit prior to that date, could import. Why was this exemption given at all? Sir, you are aware that there is the force *majeure* clause. So, if the Government takes a decision, the Letter of Credit has no meaning because the Letter of Credit is between the exporter and the party outside. Then why was this indulgence granted in the case of pulses? Today the CBI inquiry is going on, and three or four exporters are in the net. I would like the hon. Prime Minister to clarify as to who took the decision to give this conditional exemption. When a Cabinet decision is taken that there shall be no export of pulses, then, why was this exemption in case of pulses, and not in case of wheat or in case of sugar? I have all the notifications with me. If wheat is not to be exported, then, it is a flat 'No'. If sugar is not to be exported, then, it is a flat 'No'. But in case of pulses, a kind of conditional exemption of a particular day is given, and people from various countries abroad make hay out of it. This is not the only way you can bring food security for India. It is a very serious matter. Therefore, I would like to know from the hon. Minister as to what the policy of this Government is, as far as import and export of foodgrains, and other food articles are concerned.

Sir, there is one more issue of importance. This relates to WTO negotiations, and I would like the hon. Minister to reply to it. Sir, after the fame of Marakkesh Agreement and Dunkel negotiations, the Doha Round in WTO negotiations comes as a great flicker of hope for India. And, when I say that, I would like to pay my respectful homage to the memory of Shri Murasoli Maran who, as the Commerce Minister, under the Vajpayee Government, did a wonderful job in articulating the concerns of India. And he was backed by all the developing countries against the might of the West as far as agriculture subsidy is concerned, as far as import of agricultural goods is concerned, in a very liberal way. This was ably taken forward by my good friend, Mr. Arun Jaitley, who was the Commerce Minister at that time, at Cancun, which had also broken down. I must say that Mr. Kamal Nath, the hon. Minister, also showed some promise initially. I remember his statement that unless the dispute on agricultural subsidy comes down from 150 to 50, he will not attend

the Ministerial meeting. I hope I am right when I am making that comment. But I am disturbed to see a softening of the stand now. There is a Ministerial meeting in May. The Minister is going. Why? Why this mad rush? And when I see this softening, I read between the lines of the comments of Mr. Sanjay Baru, the Media Advisor of the hon. Prime Minister. Why are you softening, Mr. Minister? What is the problem? Is some trade off going on? The Prime Minister went and met George Bush; he met Mr. Gordon Brown in London. He has already cut duties on industrial products; he said he will be liberal. Without making any corresponding, respectable agreement on agricultural subsidies, why is there a keenness to soften this stand? Is it a trade off to deliver something because you could not deliver on the nuclear deal to the US? Is there some linkage as far as the coming US Presidential elections are concerned? We are quite disturbed Mr. Minister, to be very honest to you, because we do not know as to what direction India is taking as far as the entire WTO negotiation are concerned. Are you going to forego the leadership which the world has given to India for standing up firmly against the might of the West and the USA as far as the issue of agricultural subsidy is concerned? These are disturbing questions. We would like you to reply to that.

Sir, I had heard a lot about NAM. Now, I hear a new expression, NAMA, the Non-Agricultural Goods Market Access. Why are you so keen to sign on the dotted lines? Take us into confidence. we would like to know the situation, because I know you have pressures. But is the India of 21st century going to bow down before those pressures? That is not what you legacy has been, Mr. Kamal Nath. You may be knowing what happened in Doha; you know what happened at Cancun. You also made good noises initially. Therefore, these are the areas of concern. I would like to remind this House that the 60th Report of the United Nations Commission on South-East Asia has come out, hardly about a fortnight ago. I am sure the Minister would have got a copy of that. It says that if agriculture is liberalised, poverty in India, Thailand, Bangladesh, Russia is going to rise further. Therefore, this well-documented research of the UN exposes the argument, laboured for long, for so many years, that a liberal economy would lift the people living in poverty and bring them into prosperity. No. A well-structured UN Report completely exposes the lie behind that. Sir, today, the time has come when we must stand by the Indian farmer. They have done us wonders. Let us not kill their initiative, their sense of confidence, by conducting the entire debate in a very reckless manner, as far as the WTO negotiations are concerned. Sir, there are many things that can be said but I have a constraint of time. However, I would like to make one observation, hon. Minister, without meaning any disrespect to you. Why does the functioning of the Ministry of Commerce provokes a sense of unease? The Standing Committee has a problem. The CAG Report has made very damaging comments about the entire functioning of the SEZs and said that goods are being sold in the Indian market without payment of any tax or duties. You know that. You have discussed that. Why is there this consensus across the board, including in your own Party, the Treasury Benches, who have a sense of unease? I see how many questions are put to you from your own Party in this House and in the other House. Why this? There is something amiss somewhere. There is something wrong in the way your Ministry is being run. That wrong needs to be addressed, honestly, in a transparent manner. Sir, I will conclude with a couplet:

“सच्चाई छिप नहीं सकती बनावट के उसूलों से,
खुशबू आ नहीं सकती, कभी कागज़ के फूलों से।”

Thank you, Sir.

DR. T. SUBBARAMI REDDY (Andhra Pradesh): Sir, I will start my speech with a Sanskrit couplet. Today's Indian economic growth is:

लोकोत्तरायणः संगठनः निरुपमानः सन्निवेशः त्रिभुवनानद्वितीयः

India's economic growth, industrial growth and foreign trade growth during these four years is a magnificent spectacle and phenomenon. I must congratulate Shri Kamal Nathji, Commerce Minister, who looks very quiet, simple, but a dynamic person, for this. He has made a mark in the world trading map, and shown to the world that yes, the Commerce Minister of India is a man of courage and guts. And his contribution in growth of Indian economy is immense. We are all very fortunate that the UPA Government has shown a phenomenal growth in the economy. Now, I would like to say though there may be some pinpricks, small, small mistakes, but by and large you have to accept the achievements of the Government. For the first time, in 2004, they had integrated the Foreign Trade Policy of the Commerce Ministry with a motivation and a philosophy that they must achieve 100 per cent growth in exports, and also to have a great image in the world map, and shown to the world that yes the Indian trade and industry is always great. The result is,—we must not forget this—the size of the export trade which was \$ 63 billion in 2004, has grown to \$ 255 billion. That means, the growth is not 100 per cent. It is 250%. Also, if you take the total imports and exports of India Industry, it comes to \$400 billion. If you take the services and the goods also, it becomes \$ 525 billion. Sir, 1.5 per cent of the world trade comes from the Indian commerce sector. We must not forget. If we take the goods and the services and the exports and import of the total trade, we find that it has made 50 per cent contribution to the GDP, which is remarkable in the modern economy. We must not forget that we have been able to achieve it in spite of various difficulties like appreciation of the Indian rupee by 12 per cent, various difficulties in the world trade, and also that several countries have withdrawn the GSP facilities to India. In spite of all these problems, our exports have the courage and guts to increase, and still India is growing and marching forward in exports, and making a mark in the world map. We should not forget all these things.

Sir, I would like to say one more thing. Of course, this point is very important because the Commerce Minister must bear in mind that today in inflation and price-rise, steel and cement play a very important role. When the steel prices are high, it is going to impact every manufactured item, and also transport, electrification, telecommunications, etc. Perhaps, in every sector of the economy, steel has an impact, and cement also has an impact. Here, the most important challenge before the Commerce Ministry and the Finance Ministry is how to control inflation. I don't think it is impossible. Yes, it is possible. How? Actually, the inflation and the price of a product are driven by the demand-supply theory. Because of the phenomenal and all-round growth on industrial side, manufacturing side, on every side, there is a huge demand for steel and cement, whereas our production is limited. So, when the production is not able to meet the demand,—and we have to export some quantity because of some commitments for free trading under international trade or whatever it may be,—it leads to inflation. There is also an argument that 'yes if we totally stop export of steel, we may lose the international market. Then, tomorrow, there may be problem for the Indian industry'. That may be an argument. But, still to control the prices of all products on which the price of steel has an impact, the export of steel is temporarily stopped by the Commerce Ministry. Also, most importantly, in a free trade system, at least for a few months or a year, we must try to import steel. Once we improve on the supply of steel by imports and not allowing the exports, automatically, the prices are bound to come down. This is, actually, the secret of trade.

Here, one dispute is going on between the Steel Ministry and the Commerce Ministry. The Steel Ministry says that we should not export iron ore. If you give the iron ore to the

3.00 P.M.

Indian steel manufacturers at cheaper prices, the steel prices would get reduced. The Commerce Ministry says that there is a commitment in the World Trade Organisation and that we cannot totally stop exporting. That is one angle. The second angle is, the iron ore producers also have a lot of practical problems. They say that the fine quality they produce cannot be used by the Indian steel industry and that they have to export. So, it is a different debate and argument. But, here, the most important thing is, even if you cannot stop the total export of iron ore, you must make your efforts.

Take for example, National Mineral Development Corporation. Today, it is a prime big public sector company. They have huge share in the mining sector. They are supplying to a number of steel plants in India and they are also exporting to various countries; they say, it is a trade agreement. Here, my question is, when the domestic steel plants are suffering for the sake of raw materials, why not the NMDC considerably cut the exports and supply to the domestic manufacturers so that reasonably the price rise is controlled? Therefore, I would like to have a categorical clarification from the hon. Commerce Minister. With all of his magnificent achievement, this is a challenge and he must clarify to this House as to how he is going to solve this problem.

Another most important thing is, the Ministry of Commerce and Industry's economic advisor reflects the actual price of steel and cement in the Wholesale Price Index. I would like to inform the House that the price has gone up from Rs. 26,400 to almost Rs. 45,000 a tonne as on 14th March, 2008! But the Wholesale Price Index does not reflect the rise! For example, from January, 2007 to 14th March, 2008, almost for nine months, they say it is a zero increase! So, I would like the hon. Minister to actually look into it and see why the Commerce Ministry is not reflecting the real increase of steel and cement prices in the Wholesale Price Index? Because, it has an impact on the infrastructure industry also. The infrastructure has to be reimbursed on the basis of the actual price of steel and cement whereas it is not reflected; when it is not reflected, it is going to affect. Why should there be a lacuna in the functioning of the economic advisor in the Ministry? I am giving a copy of the paper to the Minister as a proof of it. I request him to accept it.

The next point is regarding the FDI. The entire nation should congratulate the UPA Government, especially the Commerce Ministry for its achievement in the FDI. What FDI inflow we had in 2004? The FDI inflow is sought in telecommunication, in the power sector, in information and broadcasting, and in so many sectors. In retail, it is banned. Mr. Ravi Shankar Prasad was apprehensive about the FDI affecting the retail. I would like to clarify that the FDI inflow is not allowed in retail. FDI is allowed in major projects. India today very badly needs FDI inflow in the telecommunications sector. It is allowed up to 100 per cent. Even in the mines sector also, for gold and diamond mining, now 100 per cent FDI inflow is allowed. Similarly, in the power sector also, FDI is very important. Like that.....

SHRI RAVI SHANKAR PRASAD: My good friend, I have talked of FDI in retail. *...(interruptions)...* That proposal was initiated by me when I was there. You also know it.

DR. T. SUBBARAMI REDDY: You were only a Minister. But I am an all round champion in these subjects. For the past 47 years, I know everything. I have a lot of experience about this Ministry, industry and exports. *...(interruptions)...* What I am saying is, the FDI, for instance, was 2.2 billion and it went up to 20 billion dollars. It definitely

reflects the prosperity of the economy, of the nation. Nobody can question it. You have to accept, admire and congratulate for this inflow of 20 billion dollars. ...*(interruptions)*...

श्री बनवारी लाल कंठल (उत्तर प्रदेश): रिटेल में क्यों ला रहे हो। रिटेल में आप मना कर दें, बाकी आप बढ़ाते रहें।

उपसभाध्यक्ष (प्रो. पी.जे. कुरियन): मना कर दिया। यह बोल दिया है।

DR. T. SUBBARAMI REDDY: In retail, it is banned. To my knowledge, FDI is not allowed in retail.

This is 100 per cent correct. ...*(interruptions)*... मंत्री जी क्लेरिफाई करेंगे। It is for the Minister to tell whether FDI is allowed in retail or not.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Address the Chair. ...*(interruptions)*... You put your question to the Minister.

DR. T. SUBBARAMI REDDY: Sir, then there is one more feather in the cap of the Commerce Ministry and the UPA Government with regard to Delhi Mumbai Industrial Corridor. It is a phenomenon. They started in 2006 and now we are in 2008. We had signed an agreement with the Japanese Government in front of our hon. Prime Minister, Commerce Minister, and his counterpart in 2006. I am surprised to see the progress they have made in these two years. Now, I am confident and the Minister will clarify because they have made a great progress and they have gone to the extent of calling in the consultants and finalising it, how many States are going to be benefited, when are they going to be benefited and how are they going to get funds. If he does so, the entire House will admire. I do not want to go into the details about that. In spite of all these successes, still we face infrastructural problems. For instance, we need to develop world-class infrastructure. It is very important. This world-class infrastructure includes industrial infrastructure and National Highways infrastructure also. I must say that every Government has been concentrating on National Highways and infrastructure because they are required for our economic growth. So, we need to develop world-class infrastructure and on that the Commerce Ministry has to concentrate. We need to encourage e-commerce and facilitate trade through EVI so that there is a turnaround in ports, airports, inland container depots, and land customs stations. They should match world standards. Sir, I would like to know from the Minister what measures he has for achieving all these things. Does he have any action plan so that we can become the best trade partner in the world? I would like to have the attention of the Commerce Minister.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): You please proceed. Your points are going on record. It is going on record; do not worry. ...*(interruptions)*... Yes, Mr. Minister, ...*(interruptions)*...

DR. T. SUBBARAMI REDDY: Sir, I would like to draw his attention to five points, which he should take into consideration. I am requesting the Chair to listen to me.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Minister, the hon. Member wants you to listen to him. ...*(interruptions)*...

DR. T. SUBBARAMI REDDY: Sir, in conclusion, I am mentioning my five points. I would like the hon. Minister to clarify these points and commit on them while replying to the debate. The Indian companies should be permitted to hike their overseas investment limit by 250 per cent from current level of 200 per cent of their total net worth. The

capital inflows should be diverted towards the infrastructure investment as this would help in solving the problems of access liquidity on account of capital flows and help in removing the infrastructure constraints. The interest rate cut is absolutely essential to ensure that SMEs contribution is enhanced towards domestic production and equally to exports. This would be possible only with extension of liquidity to these enterprises particularly at lower borrowing costs. The last but not one is the Reserve Bank of India should consider increasing the overall ceiling from US \$ 22 billion and raising the company-wise ceiling of US \$ 20 million towards the domestic use of funds raised through the external commercial borrowing routes. The tightening of end use norms for using the funds raised through this route should also be eased. I feel that India as compared to other countries has an advantageous position as a large part of its food consumption is met by domestic production. Greater investments and technological input needs to be diverted in the production of pulses. Sir, lastly, I feel that these suggestions should be considered by the Government and the Commerce Ministry and steps should be taken to implement them. I would request Kamal Nathji to look into it. Lastly, once again I am stressing, why there is a deficiency in the monitoring of the Economic Advisors of the Commerce Ministry is not keeping it up to date. What is the mechanism that they have got? Supposing every month, the price of steel goes up, then, why are they not reflecting it in the index? they must do it. These mistakes should be rectified. Once again, I wish the Indian economy going ahead of all. Thank you.

श्री बनवारी लाल कंछल (उत्तर प्रदेश): उपसभाध्यक्ष महोदय, आपने मुझे समाजवादी पार्टी की ओर से बोलने का अवसर दिया, इसके लिए मैं आपका आभार व्यक्त करता हूँ। श्रीमन् मैं पिछले तीस वर्षों से उद्योग व्यापार से जुड़ा हुआ हूँ और उद्योग व्यापार के उत्थान के लिए कम से कम बीस बार जेल जा चुका हूँ। मैंने उद्योग व्यापार के बारे में, इंडस्ट्रियल एस्टेट की तपती धूप में, सड़कों पर और बाजारों में अपना अनुभव प्राप्त किया है। मैं सबसे पहले आयात और निर्यात पर अपने विचार रखना चाहता हूँ। हमारे मित्र ने कहा है कि हमारा निर्यात बढ़ रहा है। और ग्रोथ बढ़ रही है। इधर के हमारे जितने मंत्री और नेता बोलने के लिए खड़े होते हैं, केवल एक ही बात बोलते हैं कि ग्रोथ बढ़ रही है। हमारी ग्रोथ तो बढ़ रही है, पर 80 करोड़ गरीबों की भी ग्रोथ बढ़ गई है। हमारा निर्यात तो बढ़ गया है, पर आयात की ग्रोथ भी बढ़ गई है। सन् 2002-03 में हमें आयात-निर्यात में 8 बिलियन का घाटा था। यह घाटा इस साल बढ़कर 60 बिलियन डॉलर हो गया है। मैं आपके माध्यम से माननीय मंत्री जी से यह कहना चाहता हूँ कि इस आयात और निर्यात के घाटे को कम करने की कृपा करें, अन्यथा हमारे देश के सामने गंभीर संकट खड़ा हो जाएगा। मैं कुछ सुझाव भी देना चाहता हूँ, क्योंकि हमारी पार्टी जहाँ कमियों पर आलोचना करती है, वहाँ अच्छे सुझाव भी देती है। मैं सबसे पहले तो माननीय मंत्री श्री कमल नाथ जी को धन्यवाद देना चाहता हूँ कि इन्होंने रुपए को मजबूत करने का काम किया है। जहाँ हमारा रुपया मजबूत हुआ है, वहाँ डॉलर में जो हमारा निर्यात होता है, उससे हमारे निर्यात में कमी आ गई है। हमारी एक्सपोर्ट एसोसिएशन ने आप से बार-बार अनुरोध किया है कि आप चीन के तरीके से बाहु मुद्रा प्रणाली को लागू करें अथवा वैकल्पिक रूप से बीजक की अनुमति केवल रुपए में दें। मेरा तीसरा सुझाव है कि डॉलर और रुपए के अंतर में जो नुकसान हो रहा है, अगर आप उसकी भरपाई निर्यातकों को कर दें, तो हमारे देश का निर्यात कम नहीं होगा और देश का निर्यात बढ़ जाएगा। आपने वर्तमान बजट के पदों में भारी कटौतियाँ की हैं। हमारी वाणिज्य कमेटी में 31 सदस्य हैं, जो सभी दलों के हैं। हमारे राव साहब भी वाणिज्य कमेटी में हैं और आदरणीय डा. मुरली मनोहर जोशी जी उसके चेयरमैन हैं, जो बहुत ही विद्वान हैं। उनको कृषि, उद्योग, व्यापार और निर्यात सबकी विन्ता रहती है। उन्होंने जो भी सुझाव दिए हैं, उनको दरकिनार कर दिया है। माननीय मंत्री जी हम लोग कमेटियों के दौरे पर जाते हैं, अपना खून-पसीना एक करके तमाम चर्चाएं और बहस करते हैं। हम साक्षी के रूप में तमाम संगठनों को बुलाते हैं और उसके बाद हम सर्वसम्मति से ईमानदारी के साथ रिपोर्ट तैयार करते हैं, देश के हित के लिए तैयार रहते हैं, अगर उसको दरकिनार कर दिया जाएगा, तो आप इन कमेटियों को खत्म कर दीजिए। इन कमेटियों की कोई आवश्यकता नहीं है। अगर आपको इन कमेटियों की बात मान्य नहीं है, तो फिर इतनी कमेटियाँ क्यों बना रखी हैं। मैं यह कहना चाहता हूँ कि इन कमेटियों की सिफारिशों पर पुनः विचार कीजिए और लागू करने का काम कीजिए। निर्यातकों के संवर्द्धन के लिए नीति प्रौद्योगिकी निधि की घोषणा कीजिए। देश के डेढ़ लाख आयात-निर्यात कर्ता

वर्तमान समय में इस्पेक्टर राज और लाल फीताशाही से जकड़े हुए हैं। आज उनका कोई काम नहीं हो रहा है। अतः आयात और निर्यात की नीति सरल और व्यवहारिक बनाई जाए, जो इस्पेक्टर राज से मुक्त हो। निर्यात से संबंधित सेवा कर समाप्त किए जाएं। जो वर्तमान में कानून है कि पहले सेवा कर जमा करो और बाद में रिफंड लो, कमल नाथ जी, आपको अच्छे तरीके से मालूम है कि अधिकारी जब रिफंड करते हैं, तो कितने जूते घिसवा लेते हैं और कितनी बार मुद्रा मांगते हैं, तब भी रिफंड हो नहीं पाता है। जब आपको रिफंड ही करना है, तो आपको लेने की क्या जरूरत है, इसलिए मैं आपसे विनती करता हूँ कि जो सेवा कर निर्यातकों पर लगा है, पूरे तरीके से उसको मुक्त किया जाए और वैट, मंडी-शुल्क, चुंगी को पूरे तरीके से मुक्त कीजिए। अभी हमारी वाणिज्य कमेटी जब बंगाल गई थी, तो बंगाल के एक्सपोर्टर्स ने हाथ जोड़कर विनती की थी कि साहब, वैट वापस नहीं हो रहा है। आप ऐसी प्रणाली कायम कीजिए कि निर्यातक कहीं से भी सामान खरीदे, उसको वैट न देना पड़े। आप कोई ऐसा सिस्टम एडोप्ट कीजिए। मुझे विश्वास है कि आप ऐसा करेंगे। छोटे, मझोले और कटिंग सेक्टर के सभी निर्यातकों को वे सभी सुविधाएं दी जाएं, जो आप एक्सपोर्ट हाउस, ट्रेडिंग हाउस और स्टार ट्रेडिंग हाउस को देते हैं। डीईपीबी भी अगले पांच वर्षों तक मान्य रखी जाए। व्यापार बोर्ड में छोटे निर्यातकों की सहभागिता सुनिश्चित की जाए। मैं बताना चाहता हूँ कि जब मेरी पार्टी के नायक श्री मुलायम सिंह जी की सरकार थी, तो उन्होंने निर्यातकों को बहुत सुविधाएं दी थीं। उन्हें वैट से मुक्त किया था, तमाम चीजों से मुक्त किया था। वहां चुंगी समाप्त हो गई थी। अमर सिंह जी ने उत्तर प्रदेश में निर्यात को बढ़ाने के लिए बहुत काम किया था। अगर आप उन उपायों को अमल में लाएं, तो निर्यातकों का बहुत भला हो सकता है।

अब मैं सॉफ्टवेयर उद्योग के ऊपर आता हूँ। आज जो आपकी ग्रोथ बढ़ी है, रवि शंकर जी, 50 परसेंट ग्रोथ, सॉफ्टवेयर उद्योग के कारण बढ़ी है, जिस ग्रोथ का ये हल्ला मचा रहे हैं। सॉफ्टवेयर उद्योग आपसे कुछ नहीं लेता है। अपने बलबूते पर नौजवान लड़के सॉफ्टवेयर उद्योग को बढ़ा रहे हैं। अब आप कानून बना रहे हैं कि आपको एसईजेड में जाना पड़ेगा। क्या जरूरत है आपको कानून बनाने की? वे नौजवान लड़के पूरे देश, में पूरे वर्ल्ड में हिन्दुस्तान का डंका पीट रहे हैं। आप उन पर मैट लगा कर उनको कुचलने का काम कर रहे हैं। प्लीज, आप सॉफ्टवेयर उद्योग से मैट वापस ले लीजिए। अगर आप इसे वापस नहीं लेंगे और अगर डॉलर की मंदी रहेगी, तो सॉफ्टवेयर उद्योग में चीन तीन साल बाद हमसे आगे निकल जाएगा। अभी चीन ने अंग्रेजी को अनिवार्य कर दिया है। हम आप अंग्रेजी के बल पर सॉफ्टवेयर उद्योग में पूरे विश्व में डंका पीट रहे हैं। चीन ने अंग्रेजी को अनिवार्य कर दिया है और वह सॉफ्टवेयर उद्योग को तमाम सुविधाएं दे रहा है, जो भारत में सोची भी नहीं जा सकती है। जिस दिन सॉफ्टवेयर उद्योग चीन से पीछे हो जाएगा, उस दिन आपकी ग्रोथ धड़ाम से नीचे गिर जाएगी और आपका प्रलाप समाप्त हो जाएगा।

अब मैं देशी कारपोरेट रिटेल के ऊपर आना चाहता हूँ। हमारा परम्परागत व्यापार, भारतीय व्यापार 40 करोड़ लोगों को रोजगार दे रहा है। व्यापार मंडल का राष्ट्रीय अध्यक्ष होने के नाते मैंने पूरे देश का दौरा किया। हम चेन्नई गए, इन्दौर गए, मुम्बई गए, गोवा गए। हमने वहां कारपोरेट घरानों में जाकर वहां के मैनेजर से पूछा कि तुम्हारे एक दिन की बिक्री कितनी है, तो बेंगलुरु में बताया गया कि 2 लाख रुपए प्रति दिन की बिक्री है। हमने पूछा कि कितने लोगों को रोजगार दे रहे हो, तो बताया गया कि 20 लोगों को रोजगार दे रहे हैं। कारपोरेट रिटेल एक लाख पर 10 आदमियों को रोजगार दे रहा है और हमारा परम्परागत व्यापारी एक लाख पर 100 आदमियों को रोजगार दे रहा है। परम्परागत व्यापारी की बिक्री average में 2 हजार रुपए से ज्यादा नहीं है। वह 10 sq. ft. में अपना व्यापार करता है। इस समय हिन्दुस्तान के 500 कारपोरेट रिटेल खुदरा व्यापार में उतरे हुए हैं। साग भी वही बेचेंगे, फूल भी वही बेचेंगे, गल्ला भी वही बेचेंगे, लड्डया, चना, मुरमुरा भी वही बेचेंगे और बिहार का सत्तू भी वही बेचेंगे, दूध, दही भी बेचेंगे। उपसभाध्यक्ष महोदय, हमारे गरीब व्यापारी क्या करेंगे? इसलिए मैं कहना चाहता हूँ कि वालमार्ट ही खतरनाक नहीं हैं, मुकेश अम्बानी सबसे ज्यादा खतरनाक हैं, टाय-बिड़ला सबसे ज्यादा खतरनाक हैं, बियानी सबसे ज्यादा खतरनाक हैं। इसलिए अगर 40 करोड़ लोगों के जीवन को बचाना है, उनके यहाँ काम करने वाले मजदूरों को बचाना है, किसानों को बचाना है, ठेकेवाले, रिक्शेवाले को बचाना है, तो कारपोरेट घरानों पर पूरी तरह से रोक लगानी पड़ेगी। जिस तरीके से आपने लघु उद्योगों में आरक्षण कर रखा है कि फलों उद्योग में बड़ा उद्योग नहीं आएगा, उसी तरीके से आपको यह आरक्षण करना पड़ेगा कि फलों खुदरा व्यापार में, गल्ले के व्यापार में कारपोरेट घराने नहीं आएंगे। मैं कारपोरेट घरानों का विरोधी नहीं हूँ। मैं चाहता हूँ कि कारपोरेट घराने बड़े-बड़े काम करें। आप खाद आयात करते हैं, आप उनसे खाद बनवाई, आप उनसे मेट्रो ट्रेन बनवाई, झीलें का संरक्षण, नदियों का संरक्षण उनसे कराएँ, बागों का संरक्षण उनसे कराएँ, पहाड़ों पर पेड़ लगाने का काम उनसे कराएँ और प्रदूषण खत्म करने का काम उनसे कराएँ। मैं कहना चाहता हूँ कि साग-सब्जी, तोरई, नीम्बू और धनिया उनसे बिकवाने का काम न करें। उनको भी शर्म आनी चाहिए कि इतनी ऊँचाई पर पहुँचने के बाद वे छोटे-छोटे फुटपाथ वाले

का काम, जूता-चप्पल बेचने का काम कर रहे हैं। यह उनको नहीं करना चाहिए। कमलनाथ जी, इसलिए मैं आपसे हाथ जोड़ कर यह निवेदन करता हूँ। हमारी पार्टी और हमारी समाजवादी पार्टी के नेता मुलायम सिंह यादव और राम मनोहर लोहिया जी हरदम खुदरा व्यापारियों के पक्षधर रहे। उन्होंने खुदरा व्यापारियों का हरदम साथ दिया। पूँजीपतियों की नीति की उन्होंने हरदम आलोचना की। पूँजीपति बड़े काम करें, ठीक है, अगर छोटे कामों में पूँजीपति आएंगे, तो इस देश के विनाश को कोई रोक नहीं सकता है।... (व्यवधान)... बिजली घर बनाने के लिए, आपको जानकारी नहीं है, आप चुप रहिए... (व्यवधान)... अनिल अम्बानी को दादरी में बिजली घर बनाने के लिए बुलाया था। आपको जानकारी नहीं है, आप चुप रहिए। मैं विदेशी पूँजी निवेश के बारे में बताना चाहता हूँ। अभी हमारे भाई साहब बता रहे थे कि खुदरा व्यापार में हम अनुमति नहीं देंगे। भाई साहब, मंत्री तो कमलनाथ जी हैं, आप मंत्री थोड़े ही हैं। कमलनाथ जी ने तो अनुमति दे रखी है, या यूँ कह सकते हैं कि घुमा कर दे रखी है, नाक सीधे नहीं पकड़ेंगे, घुमा कर पकड़ेंगे, अनुमति है कि सिंगल ब्रांड में हम बेचने देंगे सिंगल ब्रांड? बाट को जूता बनाने के लिए सिंगल ब्रांड में रजिस्ट्रेशन मिला था, लेकिन अब बाट उससे नमकीन भी बना रहा है, कैप्सा कोला भी बना रहा है, दूसरी हजार चीज़ें बना रहा है। जिस कंपनी को सिंगल ब्रांड में जिस चीज़ की अनुमति मिली थी, अगर वह वही एक चीज़ बेचते हैं, तब तो मैं समर्थन करूँगा, परन्तु अगर वे सिंगल ब्रांड में हजार चीज़ें बेचेंगे, तब तो, कमल जी, आपने अनुमति दे दी। तब तो यह कहने से काम नहीं चलेगा कि रिटेल में हमने अनुमति दी है।

उपसभाध्यक्ष महोदय, आज इस देश में यही हो रहा है। एक-एक वालमार्ट के लोग भारत और हिन्दुस्तान की तमाम कंपनियों से सम्पर्क करके छोटी-छोटी चीज़ें, जैसे धूप, आटा, चना, मैदा, सब्जी, रेडीमेड, जूता, चप्पल, तमाम चीज़ें एक ही ब्रांड में बेच रहे हैं। यह देश का दुर्भाग्य है, यह तो पिछले चोर दरवाजे से उन्हें रिटेल में अनुमति देने वाली बात है। इस पिछले चोर दरवाजे को बंद किया जाए।

हमारी समाजवादी पार्टी पूरे तरीके से इसके खिलाफ है। हमारे नेता श्री मुलायम सिंह जी इसके बिल्कुल खिलाफ हैं और श्री राम मनोहर लोहिया जी भी इसके खिलाफ थे। कमलनाथ जी, मैं आपसे निवेदन करता हूँ कि सिंगल ब्रांड में भी जो अनुमति आपने दे रखी है, आपने 26 चीज़ों में अनुमति दे रखी है, उनमें से 25.5 चीज़ों का मैं समर्थन करता हूँ, लेकिन आप केवल खुदरा व्यापार में उन्हें अनुमति मत दीजिए। हाथ जोड़ कर मेरी आपसे विनती है, इससे करोड़ों-करोड़ लोग बच जाएंगे।

अब मैं लघु और कुटी उद्योग-धंधों की तरफ आता हूँ। लघु और कुटी उद्योग-धंधे हिन्दुस्तान की आत्मा हैं। महात्मा गांधी लघु उद्योगों का विकास करने के लिए और कुटीर उद्योग-धंधों को आगे बढ़ाने के लिए जेल में भी चर्खा चलाते रहे। राम मनोहर लोहिया हर समय कुटीर उद्योग-धंधों की वकालत करते थे। आजादी के बाद फर्रुखाबाद की एक सभा में गरजते हुए श्री राम मनोहर लोहिया जी ने कहा था कि जब तक गांव-गांव में कुटीर उद्योग-धंधों का जाल नहीं फैलेगा, तब तक देश के आम परिवारों में खुशहाली की किरण नहीं आएगी। उन्होंने नारा दिया था, "जब छे गांव-गांव रोजगार, तब होगा भारत उद्धार"।

समाजवादी पार्टी के नेता श्री मुलायम सिंह यादव भी कुटीर और लघु-उद्योगों के कट्टर समर्थक रहे हैं। आज हमारे देश में लगभग 58 लाख छोटे-बड़े रोजगार एवं कुटीर उद्योग-धंधे स्थापित हैं। अधिकांश उद्योगों में पांच से दस मजदूर काम करते हैं। हमारी केन्द्र सरकार जिस प्रकार बड़े उद्योगों को बैंक ऋण, सस्ती भूमि, सब्सिडी और टैक्स में छूट दे करके प्रोत्साहन दे रही है, ये सुविधाएं छोटे उद्योगों को नहीं दी जा रही हैं। इससे कुटीर और छोटे उद्योग-धंधे समाप्त होते जा रहे हैं। अफसोस की बात यह है कि महात्मा गांधी का नाम जपने वाली यह सरकार, उनकी नीतियों के विरोध में काम कर रही है। यह उनकी नीतियों के उलट काम कर रही है। भारत सरकार ने लघु और कुटीर उद्योग-धंधों को आरक्षण दिया है। 1000 से ज्यादा लघु और कुटीर उद्योग-धंधे आरक्षित थे, परन्तु मैं अफसोस के साथ कह रहा हूँ कि यह सूची दिन-पर-दिन और छोटी, और छोटी होती जा रही है। अब तो स्थिति यहां तक आ गई है कि चट्टी, आचार, मुरब्बा, कैचअप, पापड़, वड़ी, नमकीन, पानी, जूस, साबुन, सुगंधित तेल इत्यादि छोटी-छोटी चीज़ें बनाने के लिए बड़ी-बड़ी कंपनियां मैदान में उतर आई हैं।

उपसभाध्यक्ष महोदय, दिवाली के दिन मैं गणेश और लक्ष्मी जी की मूर्ति लेने गया। मैं बाजार में गणेश-लक्ष्मी जी की मूर्ति और कमल का फूल खरीदने के लिए गया।

श्री बीरेन्द्र भाटिया (उत्तर प्रदेश): अरे, कमल का फूल कहां मिलता है?

श्री बनवारी लाल कंछल: नहीं, नहीं, कमल का फूल लक्ष्मी जी के ऊपर चढ़ाया जाता है। भाटिया जी, हम तो दिवाली के दिन लक्ष्मी जी के ऊपर कमल का फूल चढ़ाते हैं। जब हम दुकान के ऊपर गए तो उन्होंने पूछा कि क्या बढ़िया गणेश-लक्ष्मी चाहिए? क्या बढ़िया कमल का फूल चाहिए? हमने कहा, हां, बढ़िया से बढ़िया चाहिए, तो उन्होंने कहा कि यह चीन का बना हुआ है। अब चीन के बनाए हुए राम जी हमारे देश में आ रहे हैं, चीन के बनाए हुए गणेश जी आ रहे हैं, चीन की बनी हुई लक्ष्मी जी आ रही हैं और चीन के बने हुए कमल आ रहे हैं। मुझे तो डर है कि कहीं कमलनाथ चीन से बन कर न आ जाएं। इसलिए मैं कहना चाहता हूँ कि छोटे-छोटे जो कुटीर और लघु उद्योग धंधे हैं, इनको आरक्षित किया जाए। इनके आरक्षण के क्षेत्रों को बढ़ाया जाए और बड़े-बड़े कॉर्पोरेट घरानों को, बड़े-बड़े उद्यमियों को इसमें आने से रोका जाए। इससे देश का बहुत बड़ा भला होगा और हमारे लोग रोज़गार में लगे रहेंगे। अब गैस तो हम भर ही देते हैं और गैस पर कर आलू का चिप्स फूला देते हैं, फिर उसे इतने ऊँचे दामों पर बेचते हैं।

सर, अब मैं पेटेंट पर आ रहा हूँ। वैसे तो बहुत से विषय हैं, किन्तु यह बहुत महत्वपूर्ण विषय है। पेटेंट में हमारे सम्मानित सदन ने वर्तमान जो कानून है, उसमें आश्वासन दिया था कि इस पर एक कमेटी बनाई जाएगी। डा० माशेलकर की अध्यक्षता में कमेटी बनाई गई और डा० माशेलकर ने अपनी रिपोर्ट भी प्रस्तुत की। उस रिपोर्ट पर विवाद हो गया, तो वह रिपोर्ट टल गई। अब पता नहीं वह कहाँ पड़ी हुई है। उस रिपोर्ट के न आने से पेटेंट कानून ज्यों का त्यों बरकरार है। दवा के दाम बेतहाशा बढ़ते जा रहे हैं। इस वर्तमान कानून की आड़ में किसी भी दवा में थोड़ी-बहुत एकाध चीजें तरमीम करके नया पेटेंट करा ले रहे हैं। इससे दवाओं के दाम बेतहाशा बढ़ेंगे। आम जनता पर इसका भार पड़ेगा। इसलिए मैं वाणिज्य मंत्री जी से अनुरोध करता हूँ कि डा० माशेलकर कमेटी की रिपोर्ट को तत्काल पेश किया जाए और दवाओं के दाम घटाने के लिए भी कम्पल्सरी लाइसेंस देने की व्यवस्था की जाए।

महोदय, अब मैं बीजों के पेटेंट के बारे में कहना चाहता हूँ। आज वर्तमान केन्द्रीय सरकार की लचर नीति के कारण तमाम दूसरे देश हमारे देश के बीजों का पेटेंट करा रहे हैं। वे इतना पेटेंट करा रहे हैं कि हमारे खाद्यान्न पर जबर्दस्त संकट पैदा हो गया है। आने वाले दिनों में हमारे देश के बीज हमें मजबूरन विदेश से लेने पड़ेंगे, क्योंकि उन्होंने सारे बीजों का पेटेंट करा लिया होगा। मैं कहना चाहता हूँ कि आपने दोहा में कोई भी सख्त निर्णय नहीं लिया। दोहा में सख्त निर्णय नहीं लेने के कारण हमें उसका खामियाजा भुगतना पड़ रहा है। इसलिए माननीय वाणिज्य मंत्री जी, बीजों का जो पेटेंट कराया जा रहा है, उसको कृपया रोकने की कृपा कीजिए। कहीं ऐसा न हो जाए कि हमारे देश के सारे बीजों का पेटेंट विदेशी करा लें और हम हाथ मलते रह जाएँ।

महोदय, अब मैं उत्तर प्रदेश के उद्योगों की तरफ आ रहा हूँ। उत्तर प्रदेश में औद्योगिक सम्बर्द्धन का कार्य लगभग ठप्प-सा है। 2003 से लेकर 2007 के बीच, जब माननीय श्री मुलायम सिंह जी की सरकार थी और अमर सिंह जी ने उद्योगों की स्थापना के लिए लीडा, गीडा और डीडा-जैसे नए औद्योगिक क्षेत्रों को विकसित करने की घोषणा की थी, ... (समय की घंटी)... सर, मैं केवल 5 मिनट और लूँगा, अभी मेरे पास बहुत मैटर है।

उपसभाध्यक्ष (प्रो० पी० जे० कुरियन): जल्दी करिए।

श्री बनवारी लाल कंछल: Carpet park, textile park, hosiery park, आदि की संरचना के लिए कार्य शुरू हो गये थे। 35 चीनी मिलों की स्थापना भी की गई थी। आज उन सारी योजनाओं पर वर्तमान बसपा सरकार ने पानी फेर दिया है। डाला और चुर्क में बंद पड़ी सीमेंट फैक्ट्रीज़ को शुरू करने के लिए जो काम श्री अमर सिंह जी ने शुरू किया था तथा उत्तर प्रदेश विकास परिषद बना कर देश के बड़े-बड़े कम-से-कम बीस उद्योगपतियों को उत्तर प्रदेश में लाकर जोड़ने का काम किया था, आज बसपा सरकार ने सब खत्म कर दिया है। आज उत्तर प्रदेश का उद्यमि बहुत उदास है। मैं केन्द्र सरकार से माँग करता हूँ कि उत्तर प्रदेश में उद्योगों के सम्बर्द्धन के लिए नए कार्य किए जाएँ। मुझे यह कहते हुए बहुत अफसोस है कि ... (व्यवधान)... हाँ, चंदा उद्योग चल रहा है - मुझे यह कहते हुए बड़ा अफसोस हो रहा है कि हमारे परम श्रेष्ठ माननीय श्री अटल बिहारी वाजपेयी जी लखनऊ से सांसद हैं और वह बहुत दिनों तक प्रधान मंत्री भी रहे, परन्तु उन्होंने भी लखनऊ में एक भी उद्योग खड़ा करने की चेष्टा नहीं की, ताकि लखनऊ का उत्थान हो जाए। हमारे देश की माननीय* राय बरेली जाती है ... (व्यवधान)... सर, वह वहाँ जहाज से जाती है ... (व्यवधान)...

SHRI BHUBANESWAR KALITA (Assam): Sir, he is not a Member of this House, then, why is he taking his name? ...*(Interruptions)*...

श्री बनवारी लाल कंडल: सुन लीजिए, सुन लीजिए ...*(व्यवधान)*... हमारी बात सुन लीजिए ...*(व्यवधान)*... उसको निकाल देंगे, इसमें कौन-सी बात है...*(व्यवधान)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Kanchhal, wait for a second. ...*(Interruptions)*...

श्री बनवारी लाल कंडल: वे राय बरेली जाते हैं ...*(व्यवधान)*... मैं उनको* नहीं कहता हूँ ...*(व्यवधान)*... ठीक है, मैं इसको वापस ले लेता हूँ ...*(व्यवधान)*... सर वे राय बरेली जाते हैं ...*(व्यवधान)*...

SHRIMATI JAYANTHI NATARAJAN (Tamil Nadu): Sir, he has taken it back ...*(Interruptions)*... He has taken it back.

श्री रघुनन्दन शर्मा (मध्य प्रदेश): महोदय, ...*(व्यवधान)*... ये लोग कहते हैं ...*(व्यवधान)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): You resume your seat please. ...*(Interruptions)*...

श्री बनवारी लाल कंडल: मेरा निवेदन यह है कि ...*(व्यवधान)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Please wait for one second, Mr. Kanchhal. ...*(Interruptions)*... any derogatory remarks against a person, who is not a Member of this House, but a Member of the other House will be expunged.

श्री बनवारी लाल कंडल: सर, मैंने वह मान लिया। मैं सिर्फ इतना कहना चाहता हूँ कि जब हमारे ये नेता राय बरेली जाते हैं, तो अगर एक घंटे के लिए उनका हवाई जहाज लखनऊ में उतर जाए और 10-12 उद्योगों की घोषणा वे वहां पर कर दें, तो मैं समझूंगा कि हमारे जितने ये नेता राय बरेली जा रहे हैं, उनको लखनऊ की भी चिंता है और पूरे उत्तर प्रदेश की भी चिंता है। कमलनाथ जी, मैं आपसे निवेदन करूंगा कि आप कम-से-कम* से निवेदन कर दीजिएगा कि वह लखनऊ रुक कर वहाँ के गाँवों में भी चक्कर लगा लें और वे कम-से-कम वहाँ पर उद्योग घोषित करवा दें ...*(व्यवधान)*...

SHRIMATI JAYANTHI NATARAJAN: Sir, why is he saying all these things? ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Kanchhal, you should know that you cannot mention the name of any hon. Member ...*(Interruptions)*..

श्री बनवारी लाल कंडल: ठीक है, सर ...*(व्यवधान)*... मैं उनका नाम नहीं लूँगा ...*(व्यवधान)*... सर, लाखों की संख्या में ...*(व्यवधान)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Please listen to me. ...*(Interruptions)*... Mr. Kanchhal, please listen to me first. ...*(Interruptions)*... I have already said here. It should be known to every Member. You cannot take the name of a Member of the other House and make an allegation against him. Don't do that. Any allegatory statement will be expunged. ...*(Interruptions)*... I have already said that any statement of allegation will be expunged. I will see the record and decide. ...*(Interruptions)*... I will see the record and decide. ...*(Interruptions)*...

श्री बनवारी लाल कंडल: सर, उत्तर प्रदेश में लाखों ...*(व्यवधान)*...

उपसभाध्यक्ष (प्रो पी जे कुरियन): आपकी पार्टी का समय समाप्त हो गया है। आप जल्दी खत्म करिए, और दो मिनट में खत्म करिए। ...*(व्यवधान)*...

*Withdrawn by the hon. Member.

SHRIMATI JAYANTHI NATARAJAN: Sir, he cannot mention the names in the House. ...*(Interruptions)*...

श्री बनवारी लाल कंछल: सर, उत्तर प्रदेश में बीमार उद्योग लाखों की संख्या में हैं, उन्हें आप चालू करने की कृपा करें। ...*(व्यवधान)*...

श्री भुवनेश्वर कालिता: आप क्या कर रहे थे? ...*(व्यवधान)*...

श्री बनवारी लाल कंछल: हमने जो किया, वह खत्म कर दिया। ...*(व्यवधान)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Kalita, please. ...*(Interruptions)*... No; no. Don't listen to others. ...*(Interruptions)*... You have got only two more minutes. ...*(Interruptions)*... You have got only two more minutes. Please try to finish. ...*(Interruptions)*... Shrimati Jaya Bachchan, please take your seat. ...*(Interruptions)*... और दो मिनट बस।

श्री बनवारी लाल कंछल: सर, चमड़ा उद्योग में असंगठित मजदूर लाखों की संख्या में हैं। चमड़ा उद्योग के मजदूरों को बोड़ी उद्योग के मजदूरों की तरह सुविधाएं दी जाएं। उन को बैंक ऋण नहीं मिल रहा है। स्टेट बैंक और रिजर्व बैंक ने एक provision कर रखा है कि जो कक्षा 8 पास नहीं होंगे, उन्हें यह ऋण नहीं मिलेगा। सर, चमड़ा उद्योग में ज्यादातर अनुसूचित जाति और अल्पसंख्यक समाज के लोग लगे हैं, अतः यह कानून खत्म किया जाए और छोटे, अनपढ़ व सभी को लोन दिया जाए। साथ ही कर्मचारियों, व्यापारियों व लघु उद्यमियों के लिए मुफ्त ढलाई व मुफ्त पढ़ाई की व्यवस्था की जाए। सर, हमारे देश से चमड़ा स्मगलिंग कोलकता और आगरे से बहुत बड़ी मात्रा में हो रही है। इस चमड़ा स्मगलिंग से हमारे देश के जूते के कारखानों पर बहुत बुरा असर पड़ रहा है। अतः चमड़ा स्मगलिंग को रोका जाए।

उपसभाध्यक्ष (प्रो. पी. जे. कुरियन): बस खत्म करिए। Please conclude.

श्री बनवारी लाल कंछल: सर, एक मिनट और। उस पर प्रतिबंध लगाया जाए। महोदय, काजू बोर्ड बनाने का निर्णय लिया गया था, लेकिन उस पर अमल नहीं हुआ है। वियतनाम में काजू 4 गुना ज्यादा पैदा होता और वह इस में दो साल में हमारे देश से आगे हो जाएगा। महोदय, चाय, रबर व काफी के लिए एक प्लान्टेशन क्रॉप की स्कीम बनायी गयी थी, वह अभी तक लागू नहीं हुई है।

उपसभाध्यक्ष (प्रो. पी. जे. कुरियन): बस-बस, हो गया।

श्री बनवारी लाल कंछल: सर, स्पेशल इकॉनॉमिक ज़ोन के बारे में मैं केवल एक सुझाव देना चाहता हूं। अभी तक नॉन प्रोसेसिंग व प्रोसेसिंग के लिए 50-50 परसेंट की व्यवस्था है जिस से रियल एस्टेट को बढ़ावा मिल रहा है। आप इस में 10 परसेंट केवल नॉन-प्रोसेसिंग रखिए और 90 परसेंट प्रोसेसिंग रखिए। इस से रियल एस्टेट्स खत्म हो जाएंगे और जिन किसानों की जमीन खत्म हो रही है, वह नहीं होगी।

उपसभाध्यक्ष (प्रो. पी. जे. कुरियन) हो गया, हो गया।

श्री बनवारी लाल कंछल: सर, खाद्य प्रसंस्करण उद्योग के लिए सरकार की कोई नीति नहीं है, उसके लिए नीति बनायी जाए। खासकर आलू, आंवला व आम के निर्यात के लिए जिस प्रकार से हमारी मुलायम सिंह जी की सरकार ने नीति बनायी थी, उसी प्रकार से केन्द्र सरकार नीति बनाए तो खाद्य प्रसंस्करण उद्योग का बहुत भला होगा।

उपसभाध्यक्ष महोदय, आपने मुझे इतना समय दिया, इसके लिए आप को बहुत-बहुत धन्यवाद।

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Shri Shyamal Chakraborty.

SHRI SHYAMAL CHAKRABORTY (West Bengal): Mr. Vice-Chairman, Sir, my name is Shyamal Chakraborty, a new-comer in this House.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Shyamal Chakraborty; yes; yes,

SHRI SHYAMAL CHAKRABORTY: Okay; thanks.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Anyway, you are 'Chakraborty'; means 'Emperor', 'Great Emperor'.

SHRI SHYAMAL CHAKRABORTY: But name is very much important, Sir.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Yes very important.

DR. V. MAITREYAN (TAMIL NADU): Sir, CPM has '*Chakraborty*' and CPI has got '*Raja*'.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Yes, they have taken all '*Rajas*', and '*Chakrabortys*'.

SHRI SHYAMAL CHAKRABORTY: Sir, you just put a '*Raj*' before '*Chakraborty*'. Then it will be a '*Raja*'; otherwise, not.

Sir, I am very thankful to you for having given me this opportunity because it is my maiden speech and you have given me the chance. Secondly, Sir, just now, my throat has been choked. So, it is very difficult for me to express everything in a stipulated time.

Sir, let me, at the outset, mention that the global economic situation is very much bleak and the policy-makers of our country should be ready to face this challenge. This is the call of the day.

Now, let me start with WTO, because, in the coming month, the WTO Conference will be going to take place in Geneva. Sir, in this connection, I just like to recall some old references. After signing the WTO Agreement, India had to import more and more agricultural products and dairy products. It is well known that 18 most developed countries have reduced the prices of many export commodities; particularly, USA and some developed countries are exporting some products at less than their production cost. It is a well-known fact, Sir. And they practically pertain, more or less, to all types of agricultural and dairy products. Due to the pressure of WTO, India had to de-control and reduce the import duty on many commodities. As a result, agriculture has been attacked, food security is at stake and, gradually, we are becoming dependent on advanced countries for our food supplies.

It is not surprising that the advanced countries have imposed duties and taxes on foreign products to protect their own industries. For example, Canada had import duties on 150 items, European Union on 539 items, Japan on 121 items, USA on 189 items, and Switzerland on 961 items. It clearly indicates that if any Third World country wants to export one of these products to those countries. It has to pay this enormous import duty imposed on it. As a result, it will not be able to compete with commodity internally produced in that country. This is the problem that we have been facing in our export sector. I heard the previous speaker. Shri Ravi Shankar Prasad, a very good speaker; I would just like to remind him that this situation prevailed even during the NDA regime.

On the other hand, India had to withdraw subsidy on the price of irrigation water, electricity and fertilisers and offer support price. But, because we have to go by the parameters of the Agreement, the Government had to curtail these. Sir, I am giving some examples. I am not referring to any names here because they are not present here; in fact, they are not the citizens of our country. On the one hand, we have a situation where more than one lakh farmers committed suicide in our country, whereas, on the other, the rich people of the US and European Union are getting agricultural subsidy only because they have big agricultural farms. The Queen of a famous country is getting more than three lakh US dollars per year. Her son, a Prince, is also getting subsidy because he has some agricultural farms. A Duke, one of the richest persons in his country, is getting subsidy for

his cows. Some Speakers had referred to subsidies on dairy products and cows, probably yesterday. Sir, now, that nomenclature has been changed; now subsidy for cows has been replaced by subsidy to grasslands. What is the difference between farms and grassland? Shakespeare wrote, "What is in a name? A rose, by any other name, would smell as sweet!"

Sir, is it a level playing field? No. The field is the same; the number of players is equal on both sides; but suddenly, before the game begins, players of one side have been attached and injured. With that injury, they go to play. The two Umpires, the Third Umpire and the Match Referee, all are with them. Is this what the game is? Where is the level playing field? Our country has been forced to play under that condition, because we have signed the WTO Agreement without informing the Members of Parliament and without taking the people into confidence. So, these things have been going on. Sir, I would like to remind the hon. Minister that the declaration of the last Hong Kong Ministerial Conference in 2005 involved some hope and some expectation. The declaration involved another round of safeguards on agricultural and industrial products by the developing countries. But this has turned out to be deceptive because the European Union and the US refuse to reduce its huge farm subsidies. The G-33, a good number of developing countries including India and China, tried to protect the interest of small and marginal farmers. It was very good. They also advocated for special products and special safeguards mechanism for protection. NAMA 11 Group of developing countries including India tried to resist imposing sharp cuts in applied and bound rates of industrial tariffs on developing countries through Swiss formula. But what is the real story? After that?

After Geneva Agreement of 137 countries, our hon. Commerce Minister claimed that it was a great victory for India. It seems so. On the other hand, Robert Joalic, the representative of the USA Trade Mission, said that USA would be benefited from that. We have to assume that India and USA, both countries opposing each other there and bargaining with each other there, will be benefited from the same agreement. How is it possible? How can India and America, the two opposite bargaining sides, win the same game? Defeating one another?

Sir, Now I come to the ensuing WTO meet. Under this background, the WTO meeting, which will be held in Geneva in the coming month, is very important. Hon. Minister, Shri Kamal Nath, said on 18th April this year that "We are grappling in this round with some of the most difficult issues of global trade". He also said, "I am optimistic because the momentum which is being built up in the last two months, and even the last two weeks, is heading towards it". He emphatically said, "We have got to cross the last mile. I hope we can do it." We are very hopeful by the utterances of the hon. Minister. But, at the same time, what is Washington saying? It demands countries like India to bring down various import taxes on farm products and other goods. We became hopeful when the hon. Minister said, "The developed countries need to respect some sensitiveness. But, Sir, at the same time, our apprehension become more sensitised, we become more apprehensive when the says, "Sensitiveness in Europe and United States all need to be respected". Sir, I hope hon. Minister will remove my apprehension.

Sir, India has second highest population in the world. Most of the developing countries are looking forward to our country. They want India to take the leadership of resistance from the onslaught of developed countries. So I want the hon. Minister to assure us that they will respect the sentiments of our people.

Now, I come to the point of SEZ. Already our hon. BJP friend has raised some points on it. On some of points, I agree and on some of points, I disagree. The Standing Committee

of Commerce has submitted a report on the functioning of SEZ in June 2007. It recommended some amendments to the SEZ Act and Rules. But Government did not accept that. The CAG submitted a report to the Parliament in March 2008. It noted that the Government of India has to forego revenue amounting to nearly Rs. 2000 crore. It is because SEZs are permitted to treat their domestic sales as export earning. I repeat. SEZs are permitted to treat their domestic sales as export earning, which was apprehended by us. The CAG report said, "SEZ units have been achieving the prescribed net foreign exchange earnings mainly through domestic sales. Thus, it is defeating one of the sub-objectives of the schemes, which was to augment exports." I have quoted this from the Report of the CAG. Not only the Left parties, but the CAG also called for amendments to the SEZ Act and Rules. Now, CAG has also said that the total duty forgone in the year 2006-07 was Rs. 66,368 crores working out to be 77 per cent of the total customs received during the fiscal year. Under these circumstances, the Government should immediately initiate the process of amending the legislation. The Government should seriously consider whether such huge tax concessions are necessary.

Left parties repeatedly asked the Government to go for drastic amendments in the SEZ Act and the Rules. In this regard, I would like to refer to the cases of Nandigram and Singur SEZs, which have been deferred. Sir, Singur is not under the purview of the SEZ Act. Regarding Nandigram, after one month, our Government declared that no land would be acquired there. So, I hope, this will be taken into consideration.

Sir, the Left parties suggested that SEZs should be granted only for two categories of industries, namely where advanced technology is required, and secondly, for exported-oriented centres. Sir, this problem has already been referred to by some hon. Members. Some real estate investors are trying to take advantage of this.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Chakraborty, it is your maiden speech; I am not stopping you. But, I would like to know how much time do you want to complete your speech because the time allotted to your party is over.

SHRI SHYAMAL CHAKRABORTY: Sir, I need ten minutes more.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): This being your maiden speech, if you want ten minutes more, you can take. But, try to be brief also. You need not elaborate.

SHRI SHYAMAL CHAKRABORTY: I will refer only to points. We demanded 2000 acres of upper ceiling. But, they did not agree with that. Second point is that we demanded that 25 per cent of the land in the SEZ area should be dedicated for developing infrastructure for the employees. That has not been heeded to. Then, I would like to mention about labour laws. The Central Government has very skilfully shifted the responsibility to the State Governments. Many State Governments have been compelled to say that labour laws are not the law of the land which is implemented there. Sir, our demand was that the Government should take the steps for the acquisition of land because in some industries, if some industry shifts somewhere else, then, the Government can take back the land. Now, the Government has decided that it may acquire 30 per cent of the land. It is also under compulsion because when many farmers did not succumb to land grabbers, then, the Government came to their rescue, and to have contiguity, said that only 30 per cent of the land would be acquired. But, we asked the Government that it should initiate the land acquisition process and the land should be under the disposal of the Government.

Then, I would like to mention about retail trade. Single brand trade has already been referred to here. I will not go into that. But, the Indian corporate houses have entered into the retail sector and are expanding their operations aggressively. The retail trade accounts for 10-11 per cent of the GDP.

At the same time, four crore people are involved in this. Sir, most of them will be out of employment. In India, there are 11 shops per 1000 persons. An argument has been put forward that it will generate new employment. But, the experts say that one new employment means eighty unemployed people. It will generate one employment and it will leave 80 people unemployed and throw them in the army of unemployed people. There was a study by the NGOs in Mumbai and they say that beside these big retail shops, at least, 70 per cent of the small and middle level shop owners are suffering and thinking in terms of closing their shops. Sir, we have put up some suggestions to control licensing of this by the municipality authorities. Taking the confidence of the small hawkers and small shop owners, we should form a committee which will take the decision on granting licences to organised retailers.

With respect to Foreign Trade Policy, our objective should be to double our percentage share of global merchandise trade within the next five years and to act as an effective instrument of economic growth by giving a thrust to employment generation. I urge upon the Government to apprise the House of actual figures as on date on both the objectives, namely, our percentage share in global trade and employment created *vis-a-vis* investment made and tax exemptions given.

Sir, for tea industry, the Government took some steps considering the recommendations of the Expert Committee report. But still, it is not in the process of implementation. Till now, 30,000 workers are out of employment.

Regarding Coffee Board, Budgetary allocation should be increased and Government should expedite approval of export promotion of Coffee scheme.

As far as rubber is concerned, uniqueness of this industry is that 90 per cent of the production and 89 per cent of the area are in the hands of the small rubber plant holders. So, there is urgent need to give boost to the rubber industry for sustaining and increasing the export of natural rubber. Research on growth and production of rubber in the North-East should also be promoted.

Then, with regard to spices, setting up of the Spice Board is an urgent measure.

For cashew also, different aspects of cashew development are under the purview of different Ministers. That should be brought under a common umbrella.

There is also a need to promote leather exports.

There is a question of rupee appreciation. The impact of rupee appreciation led to two-fold problems. Imports have become cheaper and exports have become costlier and less profitable. There has been a deceleration in the growth of exports last year. The products which have been particularly affected are those with low import intensity and high employment content. This is leading to unemployment. Agro and food processing sector, auto, drugs and pharmaceuticals engineering goods, gems and jewellery, leather and leather products, petro and petro products are the major victims. So, under these circumstances, the Government of India should try to diversify its trade and foreign exchange reserve in order to reduce dependence on the Dollar. More emphasis should be given to increasing our trade with countries in East and West Asia, China, Latin America and Africa.

Sir, NDA was very much satisfied with their pet slogan 'Shining India'. The UPA is also satisfied with their pet slogan 'Bharat Nirman'. Which Bharat are they making? Is it only for 20 per cent people? 77 per cent people are earning less than 20 rupees per day. What do they mean about India? Does India mean only some hills and mountains? Does India mean only three Oceans and seas, like the Arabian Sea, the Bay of Bengal or the Indian Ocean? Does India mean some rivers like the Ganges, the Brahmaputra, the Godavari, the Krishna, and the Cauvery? India means more than 100 crore people. I am reminded of a famous poem by Lord Tennyson. 'For men may come and men may go, but I go on forever.' I would like to remind the Minister if 77 per cent of the people are deprived, then people will say that ruling party may come, ruling party may go, but people remain forever. Thank you, Sir.

DR. K. MALAISAMY (Tamil Nadu): I thank you, Sir, for facilitating me to speak on this subject on behalf of the AIADMK Party which is the leading party and number one party in Tamil Nadu. Due to time constraint, about which the Vice-Chairman and the House are very much concerned, I will be as quick as possible and as brief as possible. My task is fairly easier, particularly in the light of opening batsman's speech, namely, Shri Ravi Shankar Prasad. Sir, this is not my maiden speech, so I do not know how far the Vice-Chairman will be considerate when I make my presentation.

From the reading of the write-up given by the Department, I am able to see the objectives of the Department, namely, regulation, development and promotion of international trade by due formulation of policies and execution. They further say that their vision is to develop India as a major player and to double India's international trade, particularly to double the percentage in the share of international trade within a period of five years.

Sir, after having seen the objectives and their vision, I was looking upon what they are doing and what is the effect. In fact, I am very happy to note that the export growth rate is more than 20 per cent in the Tenth Plan. It is still more during the year 2006-07. But, unfortunately, this did not last long. It got a deep fall during April-December, 2007. It fell down steeply from 21 per cent to 7 per cent. It is further said that the reduction is due to global slowdown and appreciation of rupee from 3 per cent to 13 per cent.

Sir, whatever may be the reasons, I was very keen to see whether they had taken enough measures to control and contain it. I am able to see that their policy has envisaged several measures focussing areas of generating additional growth and employment, relaxing control, creating thrust and transparency, simplification and rationalisation of procedures, reduction of transaction cost, negotiation of pacts with other countries, etc. On the one hand, I am happy to note all these measures. On the other hand, I am sorry to say that there are several ills and evils in their handling it.

Coming to the fair and accurate comment, as the Vice-Chairman knows, to do anything, we need three Ps, namely, Planning, Preparation and Performance. To what extent have they succeeded in doing these three things?

Sir, there are several problems, and several constraints on a given issue. The hon. Minister is a well informed Minister. The Minister of State is also well informed and well educated. They must clarify my points. Sir, I would like to know from them whether they have identified, rightly and correctly, the causes and effects. I would like to put a specific question to them, whether the measures taken are adequate, or, whether the measures they have taken are effective to deal with the situation. Sir, in any issue, we see that there are

4.00 P.M.

controllable factors and uncontrollable factors. Whether they are able to identify what those uncontrollable factors are and what measures they have taken. Sir, over a period of time, both the Minister by virtue of their experience, will have the better experience on the one side, and bitter experience on the other side. I would like to know whether they can divulge the bitter experience and whether they have learnt any lessons out of it.

Coming to the review system, in any system, they will have the review and monitoring. As far as the Commerce Department is concerned, I would like to know whether they have got a specific periodical monitoring system when the interest of our country is affected, particularly, while dealing with other countries.

Coming to the very important aspect, they say that due to this reason, namely, global slow down or rupee appreciating, exports have been terribly affected. I would like to know whether they have made any classification of the area or sector where the exporters have been affected due to the first reason, namely, global slow down, and whether the exporters affected by the other reason, namely, rupee appreciating. After having classified, what is the total amount of money involved or loss involved? Taking into account the losses, how much amount has been compensated, 10 per cent or 15 per cent or in total? I would like to have a clarification on this point to what extent they have relieved the exporters who have been affected.

Coming to another most important area, namely, there are umpteen number of areas of exports out of which whether they have fully exploited the potential area in total or whether they have left out some of the potential areas to be exploited. I would like to know such areas which need to be listed out.

Coming to the other cases, namely, in this particular situation, whether they have got any details of external recession and trade cycles. Sir, to be honest with you, the Vice-Chairman is well aware that India's total merchandise trade will be about 400 million dollars during 2007-08 accounting for 1.5 per cent of world trade. Now, if they are aiming to go for 5 per cent of world trade during the year 2020—they have envisaged to reach from 1.5 per cent to 5 per cent in the world trade—in such a situation, I remember to have read in the press that the hon. Minister has said that many structural problems are yet to be addressed. He has said that to do these things, there are several structural problems to be addressed. I would like to know what those structural problems are and how they have been addressed. To what extent, they have succeeded.

Coming to another point, Special Economic Zones.. (*Time bell*)...

THE VICE-CHAIRMAN (Prof. P. J. Kurien): I gave you a warning. that is all. You proceed.

DR. K. MALAISAMY: In respect of Special Economic Zones, luckily, the problem is well handled by Shri Ravi Shankar Prasad. I do not want to divulge in that at all. While fully endorsing the view of Shri Ravi Shankar Prasad, I am inclined to ask, whether the hon. Minister and the Minister of State would be able to clarify to this House as to what their exact policy is as far as the Special Economic Zones are concerned, particularly, in terms of displaced persons, consequent on land acquisition. You tell us very clearly. In fact, the Parliamentary Standing Committee is saying one thing, the Government is saying another thing, and the press is saying something else, and all are saying differently. In such a situation, you call spade a spade and spell out clearly and then stand by it, and stick to it. We would like to have a specific clarification on that.

Coming to another report from the press, lot of itches going on between this Ministry on the one side, the Finance Ministry on the other side, and the Reserve Bank on the third side. I mean, in your U.P.A. Government, we thought, you are all-in-one. But, there are umpteen number of areas where you have got a point of difference. Point of difference is welcome in democracy. But for a solution, you must have identified all minds. What are you doing on those things or how are you handling those internal things?

Coming to a very important area, they have given a lot of promises, and lot of hopes, but unfortunately, none of them has been complied with. There is a large gap between the practices and the precepts. I cite an illustration. They have mentioned about the Inter-State Trade Councils that they are going to set up Inter-State Trade Councils. It is yet to take shape. They have said this as a policy or whatever it is, but nothing has happened. I can cite several cases, but for paucity of time, I would only like to say that in following various procedures and systems, we are lagging behind, comparatively, from other countries. Our commerce should develop; promotion of exports should take place. It depends on the pacts and the negotiations with other countries. While comparing with other countries, there is a large gap between the systems and the procedures we follow and the systems and the procedures they follow. I cite one example, Sir, relating to the number of documents and the No. of days required for completing an export process. We need 8 documents and 18 days to process it, whereas in Singapore, they need 4 documents and take only 5 days. Sir, coming to average cost of exports, in India, it is 820 dollars whereas in Singapore, it is only 400 dollars! Coming to the waiting time for ships, we take about 3 days whereas in other countries, it takes less than 6 hours! Sir, 80 per cent of the world trade is under RTAs as far as other countries are concerned, whereas we are taking only 30 per cent. That makes Indian products more expensive in the world market.

Sir, I come to another point. To enforce a contract in India, we take about 1,420 days whereas they take 660 days in Brazil; 406 days in China, and 281 days in Russia. What I am trying to say is how quickly people, in other countries, are doing things whereas you, in India, are taking umpteen days for doing the same. This is the point that I want to make. *(Time Bell)*

Sir, this is the last point on commerce. Whatever be the fiscal incentives given for boosting the exports etcetera, etcetera, may not hold good, but major things like global slow-down or inflation or rupee appreciating are not in their hands, and they take an override. Whatever policy they are trying to make for giving a window-dressing, may not yield results. *(Time Bell)* Sir, coming to industry, I will take a minute to touch and go. Once I say so, I will keep it.

Sir, it relates to industry. Industry is also a major driver for growth of the India economy. As Mr. Vice-Chairman is well aware, both the industrial production and the industrial growth have fallen in Indian. The industrial growth has fallen from 11 per cent to 9 per cent, in 2007. During the current nine months, the targets fixed for power, coal, railways, shipping, telecommunications, cement, aviation, highways, could not be met at all. Even the core sectors missed their targets. There was a slow progress in the road sector. There was a negative growth in the telecommunications. What I am trying to say, Sir, is that that they have neglected this important aspect.

THE VICE-CHAIRMAN (Prof. P. J. Kurien): Your time is over.

DR. K. MALAISAMY: At the instance of the Prime Minister, they have constituted a high-powered group for this purpose.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Nearly double the time of your party you have taken!

DR. K. MALAISAMY: It is yes to take off... *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Please conclude.

DR. K. MALAISAMY: Sir, if you say so, I will sit down.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Wind up now.

DR. K. MALAISAMY: Okey. Sir, as per my knowledge, in spite of their best efforts, it is seen that in the Government, they pick and choose; they follow a trial and error method. It is not at all good. On the other hand, they should go in a holistic way.

THE VICE-CHAIRMAN (Prof. P. J. Kurien): They should have a holistic policy! *(Time Bell)*

DR. K. MALAISAMY: Let me conclude.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Yes.

DR. K. MALAISAMY: With these words, I conclude, Sir.

SHRI M. V. MYSURA REDDY (Andhra Pradesh): Thank you, Sir. Since the time at my disposal is very short, I will touch upon only one or two important points regarding the functioning of this Ministry.

Regarding SEZs, out of 439 formal approvals, 275 SEZ approvals are given to the IT industry. I feel that the IT sector has already reached the pinnacle. They are not doing any research work. There is no hardware industry. They are only doing BPO business. But in spite of that, the same people are getting SEZ approvals in the SEZ also. They enjoy the benefits of ICT Policy 2005-10. Now, they want the SEZ for the sake of enjoying the benefits beyond 2009 and they want to do real estate business. It is not my statement. I am quoting from the Business Standard, dated 20th April. The CEO of one promoter-company, Maytas Hill County, says:

"Maytas Hill County, the company's flagship project at Bachupally, is an integrated township offering a range of apartments, vilas bungalows, retail and entertainment...."

Is it not a real estate development? It is a paper statement.

Then, I will quote from an MoU. The Government of Andhra Pradesh entered into an MoU with Indu Tecthzone Private Limited. This company has no experience in the IT industry. But in the name of IT SEZ, they got one SEZ and they entered into an MoU with the Government of Andhra Pradesh. On page 4 of the MoU, in clause 2.7, it is mentioned that they got 250 acres for this SEZ. Out of this 250 acres, and I quote:

"The constructed area of this 100 acres can be sold even during the development of the project".

This means that all these people are interested only in real estate development.

I want to make one more point regarding the farmers which my previous speaker also raised. It is concerned about the farmers' issues relating to the SEZ. In Andhra Pradesh, the Kakinada Sea Port has got one SEZ. The formal approval is for 1,000 hectares. It is agricultural land. It is irrigated land. They got the approval stating that the ONGC will become part of the SEZ. They want to develop petrochemical infrastructure in that SEZ. They entered into an MoU with the ONGC also, on 3rd September, 2005. After that, they acquired roughly about 7,000 acres of agricultural land. After acquiring the agricultural land, the promoters returned the investment of Rs. 10 crores back to the ONGC. I want to know from the Minister whether the ONGC has itself withdrawn from this SEZ or it was sent out by the SEZ promoters. What is the fact? I want to know from the Minister. This is one chapter of the SEZ.

Another thing is that they are forcibly acquiring land from the farmers. I want to quote a letter from the Special Chief Secretary to Government of Andhra Pradesh to the Principal Secretary to Government (Revenue), Andhra Pradesh. The letter is, C.C.L.A's Lr. No. SPIB2/13762007, dated 21.02.2008. The Minister is saying that they are not at all acquiring the land. It is the land, which was acquired by the Industrial Corporation, Government of Andhra Pradesh, that they are allotting it to the SEZ. It is not true. This letter speaks volume. It says and I quote:

"In the reference 1st cited the Government had requested the Collector, East Godavari District to furnish a detailed report on handing over advance possession of land to an extent of Ac. 2642.52 cents in Kona (v) of Thondangi (M) in favour of APIIC, pending alienation proposals."

That means they are not even paying the amount to the farmers. In spite of that, the Government is handing over the land to the APIIC. It means that it will go to the Kakinada Sea Port. It means that they are forcing the farmers to give the land and they are forcibly acquiring the land. That is what I want to say. I would like to mention one more thing. It is shameful on our part to have this Act itself. The Government of Maharashtra has enacted this law. It is mentioned in the Preamble of the Act that SEZs are specially delineated duty free enclaves treated as foreign territory. What is this? What is the difference between the East India Company and these SEZs? There are no local body laws; there is no police investigation; there are no labour laws. It is like handing over these lands to erstwhile *Zamindars*. Earlier we fought against the white skin millionaires and now we are making black-skin millionaires. That is what we are doing. (*Interruptions*).

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY AND THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH): Which Act are you talking about?

SHRI M.V. MYSURA REDDY: The SEZ Act.

SHRI JAIRAM RAMESH: This Act was passed here only. Your Party also supported it.

SHRI M.V. MYSURA REDDY: Why can't we criticise it? Actually, its implementation is wrong.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Mysura Reddy, you continue.

SHRI M.V. MYSURA REDDY: During those days, I was not here. (*Interruptions*).

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Jairamji, he can criticise his own Party or you can criticise your own Party.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Sir, it is true that it was passed in this House. We also supported it. But is it being implemented properly? That is what he is questioning.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): What I am saying is, you have every right to criticise you own party. This is Parliament.

SHRI C. RAMACHANDRAIAH: Sir, we have also contributed in the debate. We have accepted this Act. But what he is saying is this. He is questioning the implementation of the Act.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): He does not agree with the implementation part of it.

SHRI M.V. MYSURA REDDY: Sir, so far as implementation is concerned, there is no transparency in approvals. Sir, one port-based multi-product SEZ was sanctioned at Nizampatnam in Prakasam District for RAS and Nimngarra Prasad. He also owns companies by the name Gilchrist Investments Pvt. Ltd. and Alpa Group. One pharma SEZ at Nakkapalli, Visakhapatnam and another one at Mahaboobnagar were sanctioned to Mr. Pratha Saradhi Reddy of Hetro Group.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Please conclude.

SHRI M.V. MYSURA REDDY: I am speaking on the basis of a record. I will take three minutes more. One more pharma SEZ was sanctioned to Mr. Sarath Chandra Reddy of Trident Life Science Ltd. One pharma SEZ at Visakhapatnam was sanctioned to M/s Ramky Group which is having a subsidiary company M/s Eres Projects Ltd. All these SEZ promoters invested in a publishing company known as Jagati Publications by purchasing a share of Rs. 10 for Rs. 350. It is a delisted company. All these promoters invested Rs. 100 crores.

Sir, regarding FDI, the Government is saying that 240 billion are coming from Mauritius. I would like to know from the hon. Minister whether Mauritius is such a big country. Are the people of Mauritius capable of investing such huge sums in India? Everybody knows that Mauritius is the heaven of black money and black money is routed through Mauritius into India. Sir, I would like to substantiate my statement by giving one classical example. The i-Capital, PCC and Pluri Emerging Capitals, PCC both are Mauritius-based companies. Both are registered with the SEBI. They invested Rs. 125 crores in the Sandur Power Company Limited in Karnataka by purchasing Rs. 10 per share for Rs. 71. The real owners of the Mauritian companies are not known and their financial creditworthiness is also not known. The sources for these investments in the hands of the foreign companies should have nominated their own persons on the Board of the Sandur Power company, rather than appointing an Indian, that too a person who has been the auditor of the Sandur Company ever since its beginning. And the company has repaid almost all the term loans of Rs. 82 crores well before the due dates for repayment. This was arranged from the share premium amount received on the shares allotted to the Mauritian companies. I understand that there is something fishy in this and I request the hon. Minister to investigate the case under FEMA

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Please conclude.

SHRI M.V. MYSURA REDDY: Sir, I also hear that black money is changing hands for getting favours from the Government. Because of economic reforms and industrial policy, white money is also being used for getting favours, and black money can easily be converted into white money.

The Sandur Power Company and the Jagati Publications are two classic examples of how the policies are being misused, which also substantiate my statement. These two companies, the Sandur Power Company Limited and Jagati Publications Private Limited, belong to *

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Please conclude.

SHRI M.V. MYSURA REDDY: I am speaking based on the records that I have ... *(Interruptions)*.... These are companies registered with the Registrar of Companies under the name of *...*(Interruptions)* ... His name is there with the Registrar of companies...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Please conclude. Your time is over ...*(Interruptions)*...

SHRI JAIRAM RAMESH: He is making an allegation against the Chief Minister of Andhra Pradesh ...*(Interruptions)*...

SHRI M.V. MYSURA REDDY: I am speaking based on the records.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): You may have any kind of record. That is not my problem. But you cannot make allegations in a casual way. Even if you have some record, you cannot bring it without the permission of the Chairman, and you should also authenticate it. Since such permission was not there, if at all there was any allegation or you had taken the name, the will be expunged.

SHRI M.V. MYSURA REDDY: I am not making any allegation. I am reading from the record...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Whatever it may be, the name is expunged...*(Interruptions)*... Kindly sit down. Your time is over...*(Interruptions)*... You know that before taking names of any person, who is a constitutional authority, and especially when that person is not present in the House, you cannot make such an allegation as per the rules. If any allegation has been made, then, it will be expunged. In any case, the name is expunged ... *(Interruptions)*...I will go through the record. If there is an allegation, that will be expunged.

SHRI C. RAMACHANDRAIAH: Would the entire thing be expunged?

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): If there is an allegation, the allegation part will be expunged.

SHRI M.V. MYSURA REDDY: I am reading from the records..

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): You cannot do that. There is a rule. You read the Rules.

SHRI M.V. MYSURA REDDY: I will authenticate it.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): I am not asking you to authenticate...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): No, no. You can't do that. You sit down. ...*(Interruptions)*... You see, you cannot bring something and read it here and say that I am authenticating it. What is this? ...*(Interruptions)*... Next Shri Bhubaneswar Kalita.

SHRI C. RAMACHANDRAIAH: Sir, it is a shame that a share has been sold to the Ambanis...*(Interruptions)* ... It was the subject matter...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): No, no. Mr. Ramachandraiah, the problem is...*(Interruptions)*... You address the chair. You see, there have been so many such allegations. This is not the House to make those allegations. ...*(Interruptions)* ...No, no. You know this is Rajya Sabha and you also know what can be raised here and what cannot be raised here. Should I quote you the rules? ... *(Interruptions)* ...

SHRI BHUBANESWAR KALITA: Sir, I am on my legs and I am not yielding to him. Why are you allowing him, Sir? I am not yielding to him. ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Ramachandraiah, please listen. You know the rule. If you want to make an allegation, you have to take the prior permission of the Chairman. You have not done. Sit down. *(Interruptions)* No, no. I am talking about Mr. Mysura Reddy.

SHRI C. RAMACHANDRAIAH: Sir, he is trying to draw the attention to the incident that occurred...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Ramachandraiah, why do you explain? I only said 'If there is an allegation, I will expunge it'. I only said that. *(Interruptions)*

SHRI BHUBANESWAR KALITA: Why is he speaking out of turn?

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): I will decide that. *(Interruptions)*. I will decide whether an allegation was made or not. I said I have expunged the name already; I shall go through the records; if there is an allegation, it will be expunged because allegation was made without prior permission of the Chairman. All that is over. You may proceed. *(Interruptions)* Please sit down. *(Interruptions)* No, I will decide. *(Interruptions)* Please. *(Interruptions)* Please leave it to me. I shall go through the records. Don't worry.

SHRI BHUBANESWAR KALITA: Sir, I rise to congratulate the hon. Minister and the UPA Government for the overall success in the industrial sector and making our industry globally competitive. Sir, the industrial growth, which is high, has not come in one day or in one year; this has been a continuous process and it has been a continuous growth of the Indian industry.

Sir, the general index indicates a growth of 8.6 per cent as compared to that in February 2007. Growth in the manufacturing sector in February 2008 has been 8.6 per cent; in mining and quarry sector, 7.5 per cent; and, in electricity sector, 9.8 per cent as compared to February 2007. This is really a matter of satisfaction for all of us, because the country is in the able hands and the country is moving on the path of progress. Sir, this growth has not come in one day; this growth has not come

automatically. With a clear focus on policy, the industry has grown under the able leadership and it has achieved this goal by removing the constraints and bottlenecks, which we have been talking about in this House for a long time. The Government has paid heed to it and has taken measures to correct that position by a reduction in the number of forms required to be filed for import and export introduced by the DGFT. There were hassles earlier to obtain PAN and TAN Number; now it can be obtained on time, within seven days. So, these are certain measures that have been taken by the Government and that is how the growth has come about. Sir, liberalisation of the investment policy, taxation reforms, etc. are progressive steps. The Single Window Systems of the State Governments are also a step forward in this direction. But, when I interact with some of the State Governments, I come across some complaints of lack of dynamism on the part of those States, that includes my State also, and it has to be corrected by the State Governments. Talking about the States, I would say, Sir, I come from an industrially backward region. So, my main focus would be the industrially backward regions, my region and my State. Sir, talking of the investment in my State, if it is not poor, it is pathetic. The bold initiative taken by our hon. Prime Minister for clearing the Gas Cracker Project, for clearing major power projects has given a hope to the people. It is a step forward towards rapid industrialisation of this backward region. But, the growth that is expected in the States does not tally with the industrial growth in the Centre. The overall growth in the industrial sector in the country is good, but the growth in some of the States which are in the industrially backward regions is not satisfactory. So, is the Foreign Direct Investment. Sir, the Foreign Direct Investment in the North-Eastern Region is simply negligible. Although, the foreign Direct Investment has made a phenomenal growth, the inflows have increased from US\$ 2.2 billion in 2003-04 to US \$ 20.14 billion in 2007-08. It is phenomenal. But, I think, we should have a look at the industrially backward regions also. It should be reviewed in such a manner so that the benefit goes to the industrially backward areas also. Sir, while talking about the Foreign Direct investment and focussing on my region, if we look at the pre-Independence period, we will find that the Foreign Direct Investment in the North-Eastern Region was higher, rather it was more than many other frontline States in the country. Sir, in petroleum sector, in tea sector, in coal and mines sector there were large investments and that was direct investment by the foreign countries. But, after Independence, and in the present FDI liberalisation regime, the FDI in those backward areas has gone down. In fact, I can say that it is negligible. So, we have to focus more on the SSI sector in the industrially backward areas.

Sir, the Government has done an overall improvement and upliftment in the SSI sector by taking some effective measures. The removal of the equity cap is one such bold step and the Government should expedite it. Sir, there was a review of de-reservation of items, and from 839 items in 1991 only 35 items now remain in the list. So, after de-reservation of these items, the performance of the SSI sector has increased, and it we can say so, after the de-reservation, the number of units has increased from 109.49 lakhs in 2002-03 to 129.44 lakhs in 2006-07. Production increased from Rs.3,14,850 crores in 2002-03 to Rs.5,85,112 crores in 2006-07. Employment also has increased and so are exports. Sir, this is one areas where we can focus more on the SSI sector in this industrially backward area. Even after these prospective and progressive measures in the SSI sector, still there are 4 lakh units that are sick and some of them are vanishing. So, we have to give some more attention to it and, if necessary, a fresh survey should be done about the fate of these SSI units in the country.

Sir, the Government has rightly reviewed the North-Eastern Industrial Policy of 1997, and, after a thorough discussion, an effective policy has come for the North-Eastern region after a long time, which is the North-Eastern Industrial Infrastructure Promotion Policy, 2007. If you compare the North-Eastern Industrial Policy of 1997 and of 2007, you will find that in 1997, the policy effect was that 680 units with an investment of Rs. 1067 crores were set up and employment was provided to a meagre 20,709 persons under the North-Eastern Industrial Policy of 1997.

But, the special industrial package given to other States in 2002-03--to the States like Uttarakhand, Jammu and Kashmir, Himachal Pradesh, Sikkim--it adversely affected the North-Eastern Industrial Policy, further, and a time came when we had to make a thorough review of that policy. As a result, a new policy has come which has gone into the defects and complaints thoroughly and a new policy has come in a new form. I congratulate the hon. Prime Minister, I congratulate the hon. Industry Minister and his colleagues for bringing a very effective and progressive industrial policy for the North-Eastern region.

Sir, the main features of this new policy, which looked into the constraints and bottlenecks and the areas where it could be more effectively implemented, are the locational restrictions which were there in the North-Eastern Industrial Policy, 1997 and it has been done away with. The difficulties of capital investment subsidy and many more things have been done away with in this new policy which will give an industrial boost to these otherwise industrially backward areas of the country.

Sir, I must congratulate the Minister for looking into the subsidy side. New industrial policy means new incentives and new subsidies. But this all depends on whether we disburse them regularly and timely. The incentives or subsidies will have no meaning in the policy if it is not disbursed in time and regularly. There was a huge backlog and I congratulate the Minister, the Government and the Prime Minister, for taking personal interest for clearing this backlog in this transport subsidy. It has occurred for more than 30 years. And this backlog has been cleared up to 31st March, 2007. This will really give a boost to the industrial sector of those backward areas where the transport subsidy is a must because of locational disadvantages. While coming to the transport subsidy I want to touch upon a subject, that is, of course, the petroleum industry and the tea industry, which are the traditional industries of North Eastern Region. The tea industry has faced a lot of problem. Sir, this industry is passing through a very bad phase. If we see tea production, then you see it has gone down from 947 million kgs. in 2006-07 to 850 million kgs., may be, a little more, in 2007-08. So, the Government has taken a lot of measure but even after that the tea production has gone down. We must seriously look into it. Sir, the Special Purpose Tea Fund for Re-plantation and Rejuvenation Activities has been created to look into it. These are some of the effective measures. E-auction is another effective measure. The rehabilitation of closed tea gardens is one important issue. Sir, there are gardens owned by the Tea Corporation of India which is a Government of India owned undertaking, I visited sometime back Cachar District and I saw a tea garden belonging to the TCI. The management had left it just like that without caring for the labourers, without caring for the assets; it was just left. There was a situation like that in a tea industry in Assam. Even the State Government owned Assam Tea Corporation, which is a State Government undertaking, faced a similar problem. But the State Government has taken over all the liabilities of Assam Tea Corporation's gardens and made the labourers as stakeholder to run the tea estates. The labourers are made stakeholders in production and marketing of tea. So, it is looking up but leaving a garden just like that is not a good trend. So, we have to

give a serious look into it. Sir, Assam tea industry is more than 150 years old. Sir, the Assam tea has a name all over the world and we cannot neglect this sector. We cannot neglect the Assam tea. We must give and do everything, which is possible to boost this sector so that the Region survives industrially because these are the only two industries with which the Region can prosper. These two industries are: the tea industry and the petroleum industry. We are already behind in manufacturing industry. For the manufacturing industry we could not get benefit whether it was in the pre-Independence days or the post-Independence days. These are the two industries, that is, tea industry and the petroleum industry, which have strengthened the economy of this industrially backward region. I urge upon the Government to expedite the measures of revival to face the challenge in the tea industry. I do not understand why the Assam tea, in spite of its popularity all over the world, has not yet been registered under the Geographical Indication of Goods (Registration and Protection) Act, 1999. These are certain small things which can be done. I urge upon the Government and the dynamic Minister and his team to look into this seriously and see that industrially backward areas are developed by taking some progressive and positive measures. With this, I conclude. Thank you.

SHRI V. NARAYANASAMY: The hon. Leader of Opposition raised certain points yesterday in this august House relating the Shri T.R. Baalu, the hon. Minister of Surface Transport. The Parliamentary Affairs Minister also responded to him saying that the Government will come back. Tomorrow, Sir, the hon. Petroleum Minister will make a statement in this regard in this august House, i.e. 30.4.2008.

SHRI SHARAD ANANTRAO JOSHI (Maharashtra): When the Finance Minister gets up for his Budget Speech and declares what the rates of growth in industry and the rates of growth in agriculture are, the general tendency is to give the credit for the high rate of growth in industry to the Finance Minister. It is rather unfortunate that the Commerce and the Industry Minister becomes a hidden player at that time. I would like to start by congratulating the Minister for Commerce and Industry. He has a competent team of Ministers of State here and I congratulate the whole Ministry for the excellent performances they have given in increasing the industrial production, keeping the rate of industrial growth high, carrying out a very effective de-reservation policy, keeping the balance of trade and balance of payment healthy and one thing which is not every much appreciated by many is keeping the WTO Doha Development Round alive when it was on the point of collapse at several points. Sir, the only exceptions that I would make are to make some reservations while paying compliments about Special Economic Zones. One suggestion I would make is, the country is facing a serious shortage of food grains. A National Food Security Mission has been created and that food security mission operates through the normal district administration. I would suggest that we establish some special agricultural zones for increasing the production of food grains, particularly, edible oils, that would really be much more effective than the National Food Security Mission. Sir, I know when I was the Chairman of the Task Force on Agriculture, one Mr. Bhavar Lal Jain in Maharashtra had made an offer to the Government that if only he was given five thousand acres of dry, fallow land, he would solve the problem of edible oil production and the oils in the country in no time at all. I think, there is a scope for creating similar agricultural zones for onions so that we produce the kind of onions that are demanded in the foreign countries so that every time there is a ban on the export of onions, the domestic market does not get affected. The second point that I would like to make about Special Economic Zone is this: yesterday the Minister of Agriculture made a Statement here that a group of Ministers specially

appointed for the purpose had made a recommendation that any land which is actually agricultural, which takes about at least hundred per cent of one crop should not be acquired for the purposes of Special Economic Zones. This is a conclusion or decision, which is not acceptable to farmers. To say that good land will not be taken away but bad land will be taken away is like saying that if the robbers come, you would permit the ugly daughters to be taken away but not the prettier ones. Sir, whether to carry on agriculture or not is a matter entirely of the decision of the entrepreneur. And, therefore, the deciding criteria should be does the farmer, in spite of all, wish to continue to practice agriculture? On the one hand, if he wishes to continue to practice agriculture, then, nobody should be allowed to acquire his land. On the other hand, if he wants to quit agriculture, as many farmers do, then, he should have the entire freedom to dispose of his land to whoever he likes, whenever he prepares to sell and at whatever price that he can get. That should be the basic formula for the farmers who will come under the SEZ area.

Similarly, on the Doha Round, I would like to complete my earlier statement. Of course, the Doha Round is in trouble because of the inability and unwillingness on the part of the developed countries to scale down their domestic support level. Since the Doha Round started, certain changes have taken place. I will talk of those changes a little later—after one minute. But, those changes are required and those changes are adding strength to the argument of the OECD countries, like Europe and the USA that, having gone ahead with a certain level of industrial growth, now they need to bring about a correction and, for that correction, it is important to keep some areas in their countries green and to reduce the proportion of Carbon-di-Oxide and increase the proportion of Oxygen that their industry creates. Now, with this argument, it may be a little more difficult than it was at the time of Marrakesh to aggressively proceed with the demand for decrease in their domestic support. But, the important thing is: keep the talks going. It is much better to keep the talks going, rather than have a trade war. I am quite sure, in due course of time, with the consumers lobby in the OECD countries becoming stronger and the taxpayers lobby also becoming stronger, a time will come when they will be more willing to accept the reduction in the domestic support to agriculture.

I would also very humbly like to submit that the Ministry of Commerce and Industry, even though I complimented and congratulated them for their performance, it must not lose sight of the fact that we are working in a surrounding which has changed radically since 1947. The credit for emphasis on the industry goes to Jawaharlal Nehru. Since then, the time has changed. Now, even within the country, industry is not the fastest grower; it is the services sector. Therefore, what decisions were taken in the days of Jawaharlal Nehru need to be reviewed.

Then, Sir, we have a world recession and we don't know what is going to be the effect of world recession on countries like India and all the developing countries. That might change the scenario beyond recognition as of today. Then, Sir, the dollar itself is in trouble and the rupee is becoming stronger and stronger. This was never presumed or never understood by those who negotiated the Uruguay Round that India would be a surplus country in the balance of payment and would have a rupee which is climbing in comparison to dollar. This new situation itself will create a different scenario for the Ministry of Commerce and Industry.

After that, the climate change, which is affecting agriculture that we discussed yesterday, is also going to affect the entire division of labour in the world. Very likely, some of the

countries which are considered as cold zones will become major foodgrain-producing areas which might include even Northern Canada and even Siberia. In this kind of a situation, we will also have to take our role and think of agriculture not only as a primary industry as against the Commerce and Industry which are secondary and tertiary, but think of the possibility of creating a channel of carbon credits. In a situation of petroleum shortage, agriculture has become an important source of fuel crops as also to be taken into account. Therefore, Sir, the agriculture and the green part of it will increasingly become more important. What was decided in 1947 and the importance that was given to the commerce and industry, at that time, need not necessarily continue hereafter. The time has come for a major change. I would like to request the hon. Minister to take this into account and not support policies that would adversely affect the agriculture in India. Recently, I was a little surprised to find a statement from the Minister of Commerce that he would oppose the futures market. I think, that's an entirely different domain, and what is needed by agriculturists and agriculture is a specialised domain. But, for example, for correcting the inflation situation, if you permit the import of edible oils, now, what has happened the customs duty on edible oils was reduced. But, at the same time, Malaysia and Indonesia increased the export tax on it, with a result that what policies we followed were entirely negated. And, what is going to happen in India is, this short-sighted knee-jerk policy of importing or of banning the exports of foodgrains will result in discouragement of farmers to go in for those crops, and, next year, the problem, we face, will come before us with a more draconian face. This should not be forgotten. The Minister of Agriculture and the Minister of Consumer Affairs can possibly afford to neglect this aspect for some time, but not the Minister of Commerce. Thank you.

DR. E.M. SUDARSANA NATCHIAPPAN (Tamil Nadu): Sir, I support the steps taken by the Ministry of Commerce in respect of international trade. We have accepted the WTO obligations simply because they are democratic, equitable and transparent. When we are participating in any discussion or negotiation at the WTO what matter has to be brought to the notice of the people because the people of India feel that the WTO is something very much unnecessary and it is not at all a thing which going to help their day-to-day affairs or their own trade. No doubt, the Chambers of Commerce are coming up to educate the people, to tell the traders in which it is going to benefit them. But when we are dealing with the agricultural and non-agricultural market access, we are not giving that type of transparency to take the issue to the people who are connected with it. I can quote one example. Yesterday, the hon. Agriculture Minister was very encouragingly telling that the target of 150 lakh tonnes of wheat purchase has been very encouraging in Haryana and Punjab, and about 125 lakh tonnes had already been procured by the Government. Why did that happen? It is because the Government has fixed a reasonable price as a Minimum Support Price. Therefore, the growers felt that it was a good time to sell their produce. Therefore, we could achieve the target. But, at the same time, more than 30 per cent of the produce has to be harvested. At that time, the Government is not going to purchase it. Whether the agriculturalists are going to get reasonable price or not, is a big question because we are not going to allow the export of wheat because we need it for food security. Therefore, they are not going to get reasonable price or profitable price in the open market at the international level. At the same time, we have to protect the interests of the consumers also. They are larger in number. They have to get the food materials at a reasonable price. Now, inflation is hitting the ordinary person. Whether it is food products or steel or cement or anything, it is telling upon the common man. It is going to be a very big issue during the elections also. An ordinary person cannot find out the reason for this price rise. We

cannot say that inflation has been imported or exported. We cannot explain that situation. We have to explain everything that is happening at the international level to the ordinary man in simple language so that they can understand it. What is the Swiss formula which has been undertaken in NAMA? How can we understand it? In agricultural negotiations, what was the final draft which was made on 15th April, 2008? Did they decide to have some other date for further discussions? We have never told anything to the public. Even when we read the Annual Report, we could not find out what negotiations have already been held, what draft issues have been accepted by the Government. We could not find answers to these in the website of the Ministry. We had to go to the WTO website and find out what are the negotiations, the draft material and other things. If this is the position, Sir, how can an ordinary person accept WTO obligation? Therefore, I request the Ministry of Commerce to simplify it and explain it to the ordinary person. We cannot hide anything from them. We could not accept WTO negotiations till the last two years because the bureaucracy had not come forward with a transparent procedure to tell about this to the people. They did not tell even to the Parliament. They did not tell even to the Judiciary. Nothing was told to them. It was kept a secret between the negotiators, who represent the Government of India, and those who are sitting in the WTO. It is high-time to see that the common man understands why they are negotiating, in which way they will get benefited by NAMA or by agricultural negotiations. That step has to be taken by the Ministry of Commerce. I feel it is high-time to make a separate Ministry for the WTO affairs. The WTO gives the opportunity to take part in the teaching side also. They are ready to teach the things. Even the least developed States are helped at each and every step. Our nation consists of many States. We cannot compare Haryana with Tamil Nadu. It cannot be compared with a part of Madhya Pradesh. Punjab cannot be compared with a part of Orissa. Those States are the least developed States. So, how can the development in States like Haryana and Punjab be compared with other States? Now, Haryana is also going down to the level of selling their lands for high price. The farmers in Haryana and Punjab get two crops per year. They are now selling their property simply because the real estate price is going up and simply because SEZs are coming up there. Sir, when we started the debate, we made a statute in Parliament that SEZs should be located in the most backward districts such as Sivaganga. They should not be located even in Madurai district. They should not be located in Haryana or Punjab because we are losing our agricultural land. Some friends were saying that we have to notify certain areas as economic free zones for agriculture. Sir, some States should be declared as economic free zones. Haryana State should be declared like that. Punjab should be declared like that. Special Economic Zones should be set up only in barren lands. Barren lands are there in some parts of Tamil Nadu, Orissa and other States. I visited Shanghai city in China. I saw that barren lands have been developed like economic zones. But, we are wasting our agricultural land. It is high-time that we make a comprehensive policy in this matter. With this submission, I request the Government to come out with a White Paper stating their position in this regard.

SHRI BHARATKUMAR BHAVANISHANKAR RAUT (Maharashtra): Hon. Vice-Chairman, Sir, this is my maiden speech, so, I take this opportunity to greet you, hon. Vice-Chairman, Sir, and all the Members of this August House on this occasion. First, I must congratulate and thank Mr. Ravi Shankar Prasad for initiating such a wonderful debate.

Sir, in my maiden speech, I wish I could speak on a happier issue rather than criticising the Government like this. Instead, I am forced to talk on a Ministry that stinks of corruption and leads the nation to a misery.

5.00 P.M.

Sir, many speakers, almost all speakers, have spoken about SEZs. I also wish to talk something about it. The SEZ is the issue that has become the talk of the town. A picture presented by the Government shows that SEZs are here to bring in prosperity and the rivers of wealth would start flowing once the SEZs are functional. But, Sir, this picture is far from reality. Acres of 'fertile land are taken away from farmers and handed over to industrial houses. Yes, at some places, some farmers are getting good money for giving up their land. But, Sir, is that enough? We are a nation of agriculture. If farmlands are converted forcefully into industrial houses and if farmers are forcefully converted into industrial workers, the basic fabric of the Indian society will be disturbed and it would have far-reaching effect on our society in general and economy in particular.

Sir, I come from the State, Maharashtra, where maximum SEZs have been granted. Most of them are in the vicinity of big and developed cities like Mumbai, Pune and Nasik. Fertile lands have been acquired using various tricks. Farmers are either bought up or beaten up. The rural population is confused and frustrated. I fear if the Government fails to wake up now, there would be violent agitations tomorrow. We need industry, but we need agriculture also. Sir, industry cannot be built on the graves of sons of the soil.

The SEZs has turned into a racket of handful of big industrial houses. Where the big houses could not come in the open, their front companies have come in picture. This is a dangerous sign. The Indian freedom struggle, Sir, was started to eradicate the 'Company Raj'. The buzz word was 'Company Raj.' As we celebrate the 150th anniversary of the first war of Indian Independence in 1857, the Government of 'Free India' is once again bringing in 'Company Raj.' The only difference is, earlier that war was against 'Company Raj' and what we are now bringing in is 'Companies Raj.'

I wish to remind that three decades ago, MIDCs, i.e., Maharashtra Industrial Development Corporation establishments were launched in Maharashtra with great fanfare. Acres of land under cultivation were bought by Our Government at throw-away prices and given to industries to open new industries and provide jobs to local skilled and semi-skilled youth. We were looking at it with great, great expectations. Now what happens there? Today, the picture is that most of the units of MIDCs all over Maharashtra whether they are in Mumbai or Nasik or other far-away places are closed and the plots are used to build hotels, malls and high-priced residential complexes. Was that a purpose? Now what guarantee does the Government give that those SEZs, which have been given to private business houses, don't turn into the same malls and same hotels and residential complexes? The Government should not take the people for ride because you are the custodians of the people's faith and expectations.

Even as we talk about the growth of Indian industry, Sir, the picture is different. The consumer item market, what is called, the FMCGs, Fast Moving Consumer Goods, is flooded with foreign goods. Sir, Mahatma Gandhi initiated a movement against foreign goods. Here, those who call themselves the successors of the Mahatma are importing foreign goods at the cost of survival of Indian workers and artisans. Household items are coming from China and the other Far East countries and sold at cheap prices in the Indian market. I was shocked, Sir; last year, I saw on the streets of Mumbai rakhis, which a sister ties her brother for her protection, that had been manufactured in China. China-made rakhis were being sold on the streets of Mumbai! Where are we going? Sir, the Commerce

and Industry Ministry is like a boat without a sail. It has no sail and it does not know where it is going. We are giving encouragement to boost the auto industry. That is a different issue. Every day, I find an advertisement of a new model of car. New models of cars are coming into the market every day. The advertisements are very attractive. The industry must also be attractive. Have you thought of its impact? Now, small cars priced at Rs. One lakh or so are coming into the markets. Yes, the industry will make big business; perhaps the Government will get good taxes. What happens to the infrastructure of the societies and cities of this country? Are our roads, our infrastructure, ready to take that type of load of vehicles? Why are we giving license for newer and newer cars? Where are we going? Are we treading the right path, or, have we just missed the road as far as Industry is concerned? Now, Sir, I have been talking about Mumbai. The city of Mumbai has been most ignored by the politicians sitting in the Capital. Mumbai was once the Industrial Capital of India. We are proud to read in the textbooks that Mumbai is the Industrial Capital of this nation. Now, we have converted it into a commercial capital. That is fine. In industry, money is generated. In commercial activities, money only changes hands. We have converted Mumbai into a commercial capital. The Prime Minister and the Union Finance Minister vowed to make Mumbai an international financial hub. I feel proud to know that my city, Mumbai, is going to become an international financial hub. How? Just by bringing in international banks, just by constructing Five Star and Seven Star hotels, just by bringing in pubs and discotheques? We cannot become a financial hub unless we have very strong industrial activity. Industrial activity, industrial growth, industrial products is the pre-requisite for financial activity. If there is no industrial product, there will not be commerce; if there is no commerce, there will not be any financial growth. We cannot make Mumbai a financial hub unless we have industrial growth. And what is the picture? When banks are coming, when hotels are coming, productive units of the industry, manufacturing units of Mumbai, are either shut down or go out of the State. That is not correct planning. I believe in fair competition. I believe in fair competition and fair opportunity to all States to grow and develop. But that does not mean that cheap tricks and false promises are used to take away industry from developed States like Maharashtra. I do not think the Industry Minister can turn a blind eye to such activities. When such activities happen right under our noses, I think the Industry Ministry has to intervene and has to do something for a State like Maharashtra because that has been our golden goose. You cannot remain a silent spectator, Sir.

Sir, our Prime Minister has said that he believed in inclusive growth. When you say, inclusive growth, it means that people from all sections of society, from all strata of society, from all walks of the society, participate in the process of growth and enjoy the fruits of the growth. Does our Industry Ministry believe in that? Because the policies which are being constructed and are executed show that we are working for an elite class only and depriving the masses at large from any fruits of development. Sir, this is a very sorry picture.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Rautji, I am not stopping you. But how much time will you take?

SHRI BHARATKUMAR BHAVANISHANKAR RAUT: Just one more sentence. I thank you for giving me this opportunity for making my maiden speech and I wish the Industry Minister replies some of the queries that I have raised.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Shri D. Raja. Not present. Hon. Minister to reply.

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH):

Sir, I want to thank all the hon. Members who have participated in this discussion and for the study they did on the working of the Ministry. Sir, the Commerce and Industry Ministry essentially looks at

[MR. DEPUTY CHAIRMAN in the Chair]

creating and generating economic activity in the country. When we look at the last two-three years of the performance of the Ministry and when we look at the export figures, what do we see? If we look at investment figures, what do we see? These are facts, which are record-breaking; these are facts which cannot go un-noticed because it is these facts and figures which have created the economic activity thereby leading to employment generation in the country. Sir, if we look at exports, these figures are known to everybody, but I would like to repeat them. In 2004-05, our exports were 83.5 billion dollars. In 2003-04, it was about 64 billion dollars. We had a substantial jump in 2004-05; it went to 83.5 billion dollars. In 2005-06, it went to 103 billion dollars. It hit the three-figure mark. In 2006-07, it went to 126.3 billion dollars. Each year the growth was in excess of 22 per cent. In 2006-07, it was 22 per cent. Over the previous years, I have the figures—in the previous year by 23.41 per cent, in the previous year by 30.85 per cent. In 2007-08, we saw economic turbulence in the world; we saw oil prices shoot up, as all the Members have rightly said, the rupee value increased; we saw the decline of the dollar and we saw the strengthening of the rupee. In fifteen or sixteen months, against the dollar, there was a change of 15 per cent. Now, a mention was made about China's currency, and also why don't we do what we should do with China's currency. Sir, in the end, we must look that India is competing in world market, competing against new countries, which are new competitors. Vietnam is a big competitor; Indonesia is a big competitors. Today Bangladesh has surpassed India in export of textiles. We are competing with Bangladesh in so many products. Ten years or five years ago, we would not have said this. We are competing against Philippines and we are competing against Malaysia in the global market; we are competing against the South American countries, which were not our competitors in the past. These are the facts which need to be borne in mind. We are competing as an investment destination. Why would anybody come to India? After all, there are countries with large population, with large domestic markets like Indonesia. People have made huge investments in China. We all know that Chinese investments are almost ten times Indian investments. So, India is competing in the global market; India is competing as an investment destination. It is against these challenges that we had growth. We had this phenomenal growth in 2007-08. Despite the oil prices touching 100 dollars, exceeding 100 dollars, despite the rupee having appreciated 15 per cent, we had a growth of close to 23 per cent in our exports. Our exports went to 138.4 billion dollars. We must give all credit to our exporters because it is these exporters which are generating employment. In 2004, when I announced the Foreign Trade Policy, I said, "Exports is no more a foreign exchange generating activity. Exports is an employment-generating activity." We commissioned the RIS to do a study. When we commissioned the RIS to do the study, the RIS stated that when our exports were \$ 150 billion, it would generate 136 lakh new jobs. Now, so many hon. Members of Parliament meet me. So many other people meet me about the impact of exports asking for some export benefits and all hon. Members here say that this creates so much employment. So, with a large foreign exchange reserve, we made our focus, in the Ministry, of generating employment, of creating economic activity because in the end, it is only economic activity which is going to generate employment, and that is our biggest

challenge—our employment and our agriculture. If we are able to generate employment, if we are able to see that there is growth in our agricultural sector, that will be the real transformation of our country. That is the most important thing. So, despite this, we had these huge growths in exports competing with new markets, new countries. For example, take tea. Today, we have Sri Lanka competing with us. Ten years ago, nobody in this House would have debated that we would compete with Sri Lanka or Kenya in tea. Today, we are competing with Vietnam in Tea. These are new competitors. In many of our manufacturing products, we are competing with countries like Thailand. They are manufacturing goods competitively, and the name of the game is global competitiveness. If it is global competitiveness, we have to ensure that we are competitive. This competitiveness has come because of us engaging with other countries. We have engaged ourselves with the global economy. We have become globally competitive, and in this game of global competitiveness, it is going to create the economic activity, which we so much need. On the investment side, what do we find? We find that what was our FDI in 2002-03. Why would people come to India? After all India has a consumer market, but it has a large number of poor people. We also have large constraints in our manufacturing sector. We all know that. What was our FDI in the year 2003-04? It was \$ 2.2 billion. What was it last year? It was \$ 15.72 billion. What is it this year? I have the figure till February, and it is \$ 20.1 billion. Now, people may make comparison with China. Sir, China is celebrating 30 years of its economic reforms. We are only in the 16th or 17th year. Now, what was China's position in its 16th year? How much Foreign Direct Investment were they attracting in the 16th year? We are attracting much more. What are we doing in our 16th year? We are doing better. They have an advantage of being about 15 years ahead of us. So far as Foreign Direct Investment is concerned, we have seen huge plants come up. Don't we want them? We are seeing huge plants come up which are generating exports. Don't we want them? So, Foreign Direct Investment has reached record levels and this year, it will hit another very big high from \$ 2.2 billion, we will be at \$ 20 billion. In four years, it has increased by ten times. So, it is this overview which is very essential to have, and as an investment destination, the more attractive we are able to make India, the better it is because investment does not only bring dollars, investment does not only bring foreign exchange; investment brings technology, investment brings innovation. Investment brings all these things along with it. In the world today, with the economic situation being what it is, the global economic outlook, we have to ensure that we maintain our competitiveness because there is so much of space in the world. In exports, if we lose our country, we lose that space. Somebody else will occupy that space. We started losing our space in tea. Sri Lanka came; Vietnam came. We started losing our space in textiles. Today, Bangladesh is a huge supplier, is bigger than India. I must say that. When we used to think we are the big players in textile exports, Bangladesh is nothing. It is a least developed country. It is an LDC. But yet it is producing the quality. It is producing goods competitively. Sir, then, there is the issue of our global trade talks which I will come to as a separate subject. But, I want to come on SEZ because a large number of Members mentioned about SEZ. Sir, I was happy that this discussion was started by hon. Member, Ravi Shankar Prasad, an enlightened Member. But, I want him to know certain facts and I want Members to know certain facts. It is not that this is the policy announced by the Central Government. We all participated in the debate. SEZs were new to India. Why was the SEZ Act brought in? The SEZ Act was brought in to create some stability, to attract investment. What is an SEZ? What is this thing called SEZ? It is an industrial cluster with an infrastructure largely meant for exports. When I say 'largely meant', there are provisions

that it must largely go for exports. It must have an infrastructure. What do we find in industrial clusters? My Ministry administers the infrastructure project where I find so many proposals from Members to create facilities for industrial clusters. The industrial cluster projects come under my Ministry. So many Members have come to me from Tamil Nadu, from other States. I went myself and inaugurated in Maharashtra a industrial cluster. What do they want? Infrastructure. Now, when we say 'largely for exports', of course, we also say that taxes are not exported. It is known, all over the world that taxes are not exported. When you go abroad anywhere and buy something in a shop, at the airport you get a refund because taxes are not exported. In India, we have two kinds of taxes. We have taxes which are the Central Government taxes; we have taxes which are the State Government taxes. We have some facilities through rebate. We have got a duty draw back scheme. We have got a DEPB scheme. Now, DEPB scheme is essentially and technically, I must confess, not a tax remission scheme. But, the Special Economic Zones Act, which was passed by Parliament, look at generating not real estate, not malls, not multiplexes, but generating economic activity. And, this was already on the anvil. The previous Government was also considering it. All the files, when I presented it to this hon. House, I gave all the facts. We consulted that what would work because we have to attract investment; we have to attract investment. Investment won't happen because I will stand up and say please invest. Investment is to be attracted, whether domestic or foreign. Today we are finding Indian companies going and investing in Bangladesh. We are finding Indian companies going and investing in Sri Lanka. Why? They are attracting them. We can't stop it. So, investments have to be made attractive and investments, which are largely for exports, how do we make them attractive? There was a SEZ policy which was sometime this and sometime that. So, we thought to bring stability. I came before this hon. House and said that we need to have this. It was new. It was new for you; it was new for me. It is not that I had any experience, or, Government had any experience in administering it. As with everything new, there was a learning process. We then took a long time to frame the rules. We consulted a lot of people as to what will work and what will not work. One of the points that hon. Member made, before I go into that, let me tell you when we enacted the Act, you did not know, I did not know what would be happening after this Act. But, three years down the road, two years down the road, SEZs are there. They are functioning. It is not in the abstract. It is not imaginary. When SEZs are functioning, what is now the status of those which are functioning? How many are functioning? We have investments in SEZs of 67,000 crore of rupees. The current investment in SEZs is Rs. 67,000 crore. And what is the employment in these SEZs? It is giving direct employment to 1,76,668 people. You can easily find it, because they are functioning. It is no mystery. You know this. This hon. House laid out the rules.

This hon. House said that there would be a committee which would consist of State Government. This hon. House said that they would follow all the laws of the country. Some hon. Members said, "It does not follow the laws." It is this hon. House which decided labour laws, environment laws, and the Indian Penal Code. All the laws will apply to it. It is not for me to decide not to apply it. You have passed the law. This law very clearly says that all the laws apply to it.

It is only for tax purposes. It is only for revenue. And what is the revenue? Some hon. Members have said that when you are exporting, you should not take and then refund, because you never get the refund. So, what are you going to do in the SEZs? You don't pay, so that you don't get refund, because it is meant for exports. Somebody has said that

it is sold in the domestic market. Today, out of the SEZs that we have, only three per cent of these SEZs is working in the domestic area. Balance is all export.

Many times I have been told that these are the real estate efforts. There are malls and multiplexes. I would plead with you to please appraise me of one where such an activity is going on. Tell me only one. That is against the law, which you have framed. Where is that SEZ where real estate is taking place or somebody is building multiplexes or somebody is building cinema halls?

The processing area is defined as 50 per cent. Why do we say 50 per cent? Because we decided that there must be infrastructure. If you have 500 acres or 1000 acres of land, it will have roads. That cannot be a processing area. You have to have an ITI or a training centre. There are existing SEZs which have built it. You have to have a dispensary or a hospital. What about workers' housing? Now, housing cannot be built for public at large. The rules provide that in the first phase you can build houses for your employees only up to 25 per cent of your total employee strength. If you have more employees, and you want more, then you come back and take permission. So where is this housing which has taken place? You are not allowed to sell this land.

Then there are two parts in an SEZ. One is the person who develops the SEZ. One is the units which go into the SEZs, if a manufacturing company wants to develop an SEZ.

Ravi Shankar Prasadji raised the issue about the size. I agree with him. Our size has to be India-specific. I debated this considerably before we made this. China can make a 150 sq.km SEZ. Can we? Can we do it in Kerala? Can we do it in any part of the country? Maybe we can make of slightly smaller size in my State. We cannot do it in so many States. Where is the 5000 km or 10,000 km? You have said that China has only a few SEZs. It is not the SEZs; It is the number of units in the SEZs. How many units are there in the SEZs?

There was a mention that there were only so many SEZs in the world. There are 3,000 SEZs in the world. That is a misnomer. The question is: How many units are there in the SEZ? One SEZ can have 100 units. Like in China, one SEZ has 600-700 units. They have huge SEZs. We cannot have huge SEZs in India. In India, in India-specific situation, you will have a smaller SEZ. Some of you have pleaded, "Let's have smaller SEZs." If you have smaller SEZs, you will have more SEZs. The smaller the SEZs, the more you will have. But the number of units in each SEZ will differ. So, in different countries, they are called by different names. There are 3,000 SEZs in the world.

We want our SEZs for exports. Now, for 2008-2009, the projected figure for our exports is Rs. 1,24,000 crore. One lakh twenty four thousand crores will be the exports from the SEZ. What were our exports last year? About 65,000 crores of rupees were the exports. Is this not generating economic activities? These are the exports. Somebody says it is sold in the market. Exports figures cannot be different. They go through all processes. So, if you look at investment, we have an investment of Rs. 67,000 crores uptill today in SEZ. You look at employment. We have 1,76,000 odd people in SEZ working today. If you look at exports, you have such a huge amount of export taking place from SEZ now. Why do we imagine, oh, this may happen? Listen, this is happening, these are functioning after you passed the Act. We should take pride that the Act we passed, has yielded this because this is happening. It is not a projection. When I came to you to pass the Act, I could only give you a projection. Today, I can give you the facts because these facts are on the ground.

Now, what do we see in terms of revenue losses? There has been some mention about revenue loss. Now, what revenue loss? Today, if you export outside the SEZ, you get a refund. But in an SEZ, you do not pay, so you do not refund. That is what one of the Members said, "Why do you ask for refund? They should not pay." Now, if you say, you have not collected it, it is not a revenue loss because, in any case, you would have refunded it. ICRIER was commissioned to do a study. You all know it. What did ICRIER say? It said that the Government will have a net revenue generation instead of a loss on account of additional economic activities generating additional tax revenues. Net tax gain was estimated to be Rs. 8,800 crores. Now, if you say that I have not collected the taxes and you do not say I would have to refund them, obviously, it depends on how you calculate it. So, certainly for exports in the SEZ, tax is not being collected, you may calculate that and it is also being refunded. So, this again is not a fact that there is huge revenue loss. All of you know that additional economic activity generates additional revenues. That is a basic thing. So, if this is creating economic activity, it is generating definitely increased revenue. In fact, the complaint I get is that in the SEZ not enough infrastructure is there. Somebody says that there must be a school. Now, school is not a processing activity. Somebody says that there should be a sewage treatment plant. There must be a sewage plant because it is an industrial infrastructure. It is a cluster which is supposed to have an infrastructure. Now, it has got a sewage treatment plant, it has got an ITI, it has got a dispensary. What does the Urban Development Ministry say? The Urban Development Ministry has laid out the urban norms. What they say, 10 per cent. So much should be for a garden. They want a garden. Now, that is not a processing area. If there is some garden, some recreational space, there is a workmen's room, there is a union room, is that a processing area? That is not a processing area. So, I would only urge you that when we make these comments, there are now so many SEZs functioning. I will be happy if anyone brings to my notice any misuse or abuse where it is happening, not that it may happen. We produce cars. There may be accidents. Will we stop producing cars for that reason? So, what may happen is not the issue. Today, there are so many SEZs working. Please tell me, I will be happy to organise the visit of anybody to any SEZ you are choosing, and somebody from my Ministry will go. You choose any SEZ where you say that there is misuse or abuse or what was intended in this legislation... Somebody says that this is now a foreign territory! One day, somebody wrote to me that Interpol could only work there! This is absolutely absurd; it is an insult to all of us. How did we pass such an Act? It is not true; it is, factfully, not correct. And this is something which I wish to bring to the notice of the Members of the House, that there is an Urban Development Ministry which says, you must have this much residential area; you must have this much commercial area; you must have recreational area, you must have transportation, so much area for roads inside the SEZs. And all these roads won't be in a processing area; the sewage treatment plant won't be in a processing area; a dispensary won't be in a processing area; labour rooms and union rooms won't be in a processing area! What did you do about that? So, this, I think, clarifies what I want to say about the SEZs, and I would repeat that with the functioning of SEZs in our country, if any member of this House or anyone outside brings to my notice or to my Ministry's notice any irregularity in this, in terms of what you have said, the real estate, we will look into that. Now, what about the lands? ...*(Interruptions)*... I won't even get into this. What about the lands? How does the process start? That SEZ is within the State. Our country lives in the States. Industry is in the State. It is the State Government which forwards the application; the application comes through the State Government. We cannot entertain any application. It is only the State Government to which they apply. The State Government

forwards the application to us; the State Government recommends it. There is a Committee consisting of 15 Ministries; the Board of Approvals you approved, consisting of 15 Ministries. They look at it. The State Governments come; they give us the status of the land. The Commerce and Industry Ministry has laid down a norm that a land which is being forcefully acquired under the Land Acquisition Act, we will not approve. We did that, starting it from last year when the issue of West Bengal came up. And in this, we are following this procedure. One hon. Member who was giving his maiden speech said that MIDC acquired this land 30 years ago! I am afraid, there was no SEZ Act 30 years ago. What they acquired 30 years ago, I agree with you, they have now converted into SEZs. But what they acquired 30 years ago has nothing to do with the SEZ Act. All the Industrial Development Corporations acquired land in the last four, five, six or seven years ago; they did not acquire because of the SEZ Act. So when they had acquired land and they are now converting into SEZs or they are giving it to companies or promoters to make it into an SEZ, what do we as Central Government do? The States, today, are competing for investment, all States, and that is one of the good things that is happening in our country, where the States are competing with one another for investment. They want these SEZs when I get letters from our Chief Ministers saying that there is this application, that this must be approved. In the end, it is their State, it is their land, it is their municipal laws. They are the ones who are promoting industrial development. It is only from the facilities point of view that the Central Government comes in. And at the unit level, it is controlled by the State Government. There is, of course, a Development Commissioner, but at the unit level, it is the State Government which is promoting and implementing the activities, and also the various laws. There are no laws where there is any relaxation in terms of what I have said.

There was a question of the area. In a multi-product SEZ, the area over 5,000 hectares amongst the ones which have been approved, is nil; the area from 2,000 hectares to 5,000 hectares, there are four SEZs. Now, some of you said, we should not have so many; we should have big ones. Where will we find the big ones, please tell us. The West Bengal Government made an effort; there was a public hue and cry. They wanted to have it. Now, why not? A big SEZ makes it cheaper! Certainly, a big SEZ makes it cheaper because you will have one sewage treatment plant; you will have one generating station; you will have one hospital. So, the larger the SEZ, the more economical it is. But in the Indian context, we can't do it, where we have a Panchayat land; we have a forest land; we have a public land. We have got so many lands. We have a grazing land. We can't have it in most of the States. In sector-specific SEZs, area above 500 hectares, there are two SEZs; area between 200 and 500 hectares, there are 18 SEZs; area up to 200 hectares, there are 75 SEZs. In the case of gems and jewellery, area above 50 hectares, there are two SEZs; area between 20 and 50 hectares, nil; area up to 20 hectares, there are seven SEZs. Now, if you see some of the gems and jewellery area—I have not seen it; but I have got the report about some of the gems and jewellery units—60 per cent or a large number of them are women. They are setting up training centres. Now, a training centre is not a processing unit. What do we do? They say, "We have to set up a training centre". It is there. Somebody may say, "This is a very good building. It is real estate". Please go and see it, and tell me that it is not a processing unit. I will go by your advice. Please don't go by hearsay. Please don't go by the propaganda which is spreading and because of which all this is happening. I would only appeal to you that what is there must be factual. If it is not factual, that is not your intent and that is not my intent. Certainly we will correct it.

In the case of IT, area above 50 hectares, there are 36 SEZs; area between 20 and 50 hectares, there are 87 SEZs; area up to 20 hectares, there are 159 SEZs. Now, why are the people in the IT sector going to the SEZs? Because the STPI Scheme is to end next year. Today, the Finance Minister has announced its extension for one more year. What is the status? What is the procedure? First there is an in-principle approval. That in-principle approval need not be converted into a formal approval. He may not get his project right; he may not get the finance; he may not get anyone to come to his unit. Then comes the formal approval. He gets the formal approval, but that is not the end of it. His project may still fail. He may not come back. The real test is the notification issued, when an SEZ is notified. It means that when a developer has the finances, everything in order, then he comes back to the Ministry and says, "Please notify my SEZ". It is only at the notification stage that one can be reasonably sure that this SEZ is going to happen. An in-principle approval does not mean that it will happen. A formal approval means that it may happen or may not happen, depending upon whether he got his whole act together. It is only when there is a notification, there is a fair chance of that SEZ happening. So, when we look at the figures, we must really look at the notification. We must really look at the notification issued. I have here the list of various sectors. I will be happy to send it to the hon. Member. We have got footwear and gems and jewellery. We have got multi-products, biotechnology, multi-services, auto-related items, etc. In the case of footwear and leather, there are seven; and in the case of gems and jewellery, there are nine. These are the most employment-generating sectors. Can it be said that the gems and jewellery sector is not an employment-generating sector? Can it be said that footwear is not an employment-generating sector? These are the facts which we need to look at when we speak.

Shri Ravi Shankar Prasad, while opening the discussion, made some points. I think, I should clarify them. About the SEZs, I have already done so. I appreciate and share his concern.

SHRI RAVI SHANKAR PRASAD: Mr. Minister, I fully appreciate your view. If you are also able to reply to one of my points on SEZs, I would be happy, I have asked why you are now having a uniform bracket of 50 per cent for non-processing area. You have yourself admitted that there are smaller SEZs. Then, why is this uniform bracket of 50 per cent for non-processing area? You may respond to it.

SHRI KAMAL NATH: Again, I must clarify it. Fifty per cent does not mean that he is entitled to 50 per cent. He has to get approved the non-processing activity. If he wants to build an ITI there, he has to get it approved. If he has got 100 workers, he is allowed to build 25 houses for worker. If he wants to build 50 or for more workers, he has to get it approved. That is an enabling provision. It is not that all this non-processing activities have got to be approved because you can't specify it or you fine tune it, as you are saying rightly. You can't fine tune that gems and jewellery will have this. There are so many sectors. Each sector has a specific need. A biotechnology person has a different need compared to an auto component manufacture. Leather has a different need. IT has a different need. IT moves upwards. IT does not move horizontally. They have very big buildings because they want to save cost and they want to remain competitive. We must do everything to help them to remain competitive. That is why when the IT people said they want small area, we said, "Okay, you have small area." They may move like this. The larger the area, the more the cost of land. Why should we use land for what can move upwards? A factory can't move upwards. But IT can move upwards. So these are the points which we have to

bear in mind. I would be happy to send you the rules to have your comments on this. As we discussed the working of the Ministry of Commerce and Industry, we have discussed this in an atmosphere where great concerns for food have been expressed. Members have rightly expressed their concerns. Everybody has been talking about food. They have been talking of a perceived food shortage. We are having record bumper crops. There is a perceived shortage. The hon. Member has saying, "I said 15 million people are eating two meals". Yes, I said this. We are proud that so many people are moving from having one meal to two meals. It is in the context of being proud. If more and more people get out of poverty, it is something to be proud of. When I say that 15 million people are moving from having one meal a day to two meals a day, this is the impact of our growth. I think it is something which all of us should be proud of. Those who are eating two meals, they must eat better meals. Those who are eating one meal, they must eat two meals. That is the objective of all our policies. There was a concern expressed on import of foodgrains. Well, so far as the Public Distribution System is concerned, this really should be answered by the Agriculture Minister that what is the food procurement for the Public Distribution System. There are stresses and strains in it. Two to three years ago, West Bengal used to give us much more for the Public Distribution System. Now they are giving us nothing. As all of you know, we find many States who have reduced the supply of foodgrains. What do we do for the Public Distribution System? Today, because we have a strong economy; we have 300 billion dollars in our foreign exchange, we can be an importer. But there is a global surge of prices. And this global surge of prices is arising out of bio fuels in the United States. It may be uneconomical. There is a lot of criticism about it. But the United States is a big food producer. If they move 28 or 29 per cent — Shri Sharad Joshi will be able to tell us more about this; I am not an expert on this — What will be the impact? On the other hand, Brazil is going on ethanol. Then the United States is going on corns and we are going on sugarcane. There are a lot of views which are being expressed. I am really not competent to express any view on this. Shri Ravi Shankar Prasad made a reference to transitional arrangement of lentils. I share his concern. All I want to say is that transitional arrangements are there in the foreign trade policy. The moment it came to my notice that there is a fraud — anybody can do a fraud; the people are backdating LCs — I ordered a CBI inquiry and they are proceedings against them. What more could I do? So there will be misuse. Let us recognise this. There will be black sheep everywhere. This is what has happened. That was there in the policy which we will be continuing. There is a provision of a transitional arrangement and under that transitional arrangement they produced some LCs, which were found not to be correct. I do not know. There is a CBI inquiry going on. Certainly, we took action.

SHRI RAVI SHANKAR PRASAD: The Notification was issued by your Department. What action has been taken against the officers?

SHRI KAMAL NATH: We have not banned sugar as yet. When you say sugar, it is not correct. Sugar exports are taking place, as you know. Lentils was the first thing that we banned. We learnt on this that this happens. People will produce that. people got alert. We started an inquiry and after that we said, "hell with transitional arrangement. Then people went to court. Some people got court orders. They said, "We had these old contracts and that this was not legal." Anyway, I just wanted to clarify this to you. Another point which was made by Shri Ravi Shankar Prasad was about WTO. I will respond to WTO issues all together because some of the Members have raised this. So, instead of answering it specifically, I will answer it in common. I would like to thank Dr. Subbarami Reddy for his

comments. One of the points he made was to hike the overseas investment. I agree with the point which he made that capital inflows should go to infrastructure. Another point was about the interest rate. I will bring all his recommendations to the notice of the Finance Minister. He has also said about the increase in ECB limits by the RBI. Again, this is a matter of the Finance Minister. He has also mentioned about the WBI system. We are in the process of correcting it to bring it more accurate. So, we are going to do that.

DR. T. SUBBARAMI REDDY: Would you do it immediately?

SHRI KAMAL NATH: Well' it has got to have sanctity. So, we are going to do it. Shri Banwarilal did mention about trade deficits. Yes; it is a matter of concern. We have two kinds of imports, namely, oil imports and non-oil imports. If you consider the non-oil imports, our export position is not bad. But if we add to it the oil imports, then, our oil imports, at one time, cost 25 dollars or 30 dollars per barrel. Today it is at 120 dollars, what you read in the morning in the newspapers. It is not the physical increase, but it is the value increase which is taking place. The number of barrels and tonnes, of course, is going up. The demand is increasing. But if the price is going to go up four times, then, obviously, it is going to affect our balance of scale position. There is the question of benefit to exporters owing to rupee appreciation. I would only want to say that in the last Foreign Trade Policy, we tried to do whatever is possible keeping it WTO compatible. We announced that the DEPB would continue till May of next year. For EPCG, we gave some relief. Most of all, which I want to bring to the notice of the hon. Members, in case it went unnoticed, is that our focus was on the Vishesh Krishi Upadhyaya Yojana. We want to have investments at the back-end of cold chains. My colleagues from West Bengal and other States come to us for transport assistance because they want to export potatoes and some kinds of fruits. We worked very hard for mango exports to see to it that barriers in Japan and the United States were open. Now we want to enable them to export so that farmers would get a better value. So, we announced increments in the Vishesh Krishi Upadhyaya Yojana. And, one big focus, which I announced, was on sports goods and toys. On sports goods and toys, we announced this special package because sports goods and toys is a sector where we can have a quantum jump, and in this quantum jump, they need a push. They are largely of the small scale sector. As you know, our toy manufacturers and sports goods manufacturers are in the small scale sector, mostly disorganised. So, we have given a special focus to this. And, here, I must say that when the hon. Member, Shri Banwarilal mentioned about refund of Octroi, I will be happy if he prevails upon the State Government because they are the ones who charge Octroi and they must be the ones refunding it. He also said that MAT should be taken back. I will convey to the Finance Minister that MAT should be taken back, and I have complete sympathy with his demand. There is the question of FDI in retail. Firstly, when we talk of the larger retail issue, my Ministry and the Finance Ministry are concerned about the FDI in retail. I must make it clear that the FDI in retail is not allowed. Now, as far as FDI in retail is concerned, people have expressed their concern about it quite a number of times. We have commissioned a study. I do not know when we will get the Report. But, *prima facie*, we must recognise that in India, 97 per cent of retail is in the unorganised sector. Only three per cent is in the organised sector. And, out of 97 per cent, a large part of it is not in the market economy. They don't pay VAT. They are not on the banking system. They are running small shops. It is just two or three people feeding themselves on that. So, our retail in India is very different from other countries. So, we cannot compare with other countries who allow the FDI in retail. So, this is an area where we have got to be very cautious. I have repeatedly

said that we are cautious; we have not allowed it. And, there is no proposal on the anvil to allow FDI in retail.

There was a question raised about interest rates for financing, industry, etc. Well, this is a matter which, I would request, you take up with the Finance Minister. I will convey your views.

I congratulate Shri Shyamal Chakraborty on his maiden speech. He has expressed concerns on WTO which I will answer. On retail, I have already answered. There are other issues. Dr. Malaisamy mentioned about structural problems. he said, in India, it takes very long to enforce a contract. yes, it does. That is why people complain that they are not competitive. They say, it takes so long because of infrastructure to get a ship. We take it to the port and pay much more compared to what somebody in Indonesia or Thailand pays. It is a fact. These are structural problems. And, over the last four years, we have by various processes — I don't want to go into it now; you will see it in the Annual Reports; you will see it in my Foreign Trade Policy paper — we have corrected it. There is further room to go ahead. We are going ahead, milestone by milestone. But there has been substantial correction which is palpably felt by all the exporters.

There have been some mentions about forceful acquisition of lands for SEZs. I have already dealt with that. Then, there was a mention about some investments from Mauritius. Well, again, that is a matter which the Finance Minister may like to deal with. There was a mention about tea by my friend, Mr. Kalita. He had talked about Assam. We have given a special package for tea. I have no hesitation in saying that tea is in trouble. We have old bushes; our plantations are old. We are competing with new bushes. We are competing with new productivity. We are competing with different qualities. We are enhancing as much as we can our green teas. The world wants something else; we are producing something else. We are producing it at a higher cost. We have to ensure that if we want to be in the business, we have to be doing what the others want at a competitive price. So, there is a special tea package announced and we will continue to support this industry.

I want to thank you, Mr. Sharad Joshi, again for your comments and your deep study. I say this every time in our Consultative Committee about your deep study in the matter, and I am thankful to you for the advice you keep giving me on WTO. But, recently, I have not got any advice from you. You keep giving me very useful advice. One of the points that you have made was again on WTO, which I shall come to. But, so far as Carbon Credits are concerned, we are working on Carbon Credits. Again, it is something new. When I was the Minister for Environment, I had mooted this point of Carbon Credits. At that time, the world was not willing to listen. And I had said that the only way we would be able to establish the concept of per capita emissions is to have Carbon Credits, because then it would automatically mean that per capita emissions will come into play. So, that is coming now. There are various instruments; there are various studies. I have urged our coffee sector and our tea sectors to look at Carbon Credits, to work on projects on Carbon Credits.

Yes, there is a world recession. The world recession is going to lead to many structural and architectural changes in the global economy, because we are seeing the massive economic activity shifting from the West, from the Atlantic Ocean to the Indian Ocean, to the South China Sea. It is for our Governments, it is for our industry, it is for our business community to respond to it and to take advantage and occupy the space. I am saying this because, we

6. P.M.

would have missed the bus; we won't even have got to the bus stop! So, we have to necessarily be at the bus stop and get on to the bus. Recognise these. We are seeing what changes have to be made in this and we will be taking appropriate measures.

To conclude, I would like to talk about the WTO. Well, the WTO negotiations, as you know, four years ago we had a Framework Agreement which I laid on the Table of the House, a Framework Agreement which protected India's position. This was in 2004. Then we had the large Ministerial Meeting at Hong Kong, again, where our concerns and our sensitivities in the agriculture sector stood protected. We tried to negotiate onwards; but the developed countries are now becoming the ones who have started feeling the pinch. The biggest trumpeters of globalisation, of liberalisation, are now feeling the pinch of this globalisation. In fact, there is a great protectionism; we are seeing great protectionism in the western economies. This great protectionism is creating now difficulties in the negotiations. Of course, this round is a development round of the WTO. It has to correct the structural flaws in the global trade. The structural flaws mostly in the global trade are in agriculture, in the huge subsidies which the United States give. The United States has a bound rate of subsidies of about 50 or 60 billion dollars. In the latest Paper which has been produced by the Chair, they have said that it should be between 13 and 16 billion dollars. We have not accepted it. We are continuing to fight. Where industrial products are concerned, we want them to reduce their tariff peaks and tariff escalations. Now, what are tariff peaks and tariff escalations? Today, when you export raw leather, there is zero per cent duty. But, when you export a leather jacket, the duty may be 50 per cent. So, we want to export jacket. We won't export raw leather. So, we want to address this issue. They may have in other products five per cent duty. But, in some products of interest to us, their duties are very high. On the basic product, on yarn, the duty may be zero. But, on a suit, the duty may be 40—50 per cent. So, we want them to bring it down also. These peaks; they are the same product line, like, say, textiles or clothes, apparel, you cannot have these escalations. It all has got to be of the same level. We are fighting on this. There is the question today on services. Today, India is a big exporter of services. You are seeing today in the Primaries, in the Democratic Conventions they are all opposing-outsourcing. Why? You know how much our exports, how many people are employed, how our technology is, how proud we are of this. We have to ensure that they are able to bind what is happening. By that I mean, that they cannot disturb what is happening. They cannot begin any legislation to stop it. We were very concerned with what is happening in this new protectionism which is coming. In agriculture, again, there is an issue. Today, our products, which we call special products, where we have very high duties. We want to have an exemption, from any duty reduction on this. In some, we will take some duty exemption, where we have got a lot of scope, where we are allowed to charge 200, but we only charge 50. In that, if they say, 'reduce 50', I don't mind; it does not affect us. But, where between our applied rates, and our committed rates, which are the bound rates there is a narrow gap, we want to protect that. Now, I must make it clear to this House that my position has been that until we get what we want on special products, there will be no WTO Agreement with India. We subscribe to it. These discussions are continuing. There is a Ministerial next month. I am going to have bilateral discussions with the United States, and I have made it absolutely clear. I am happy to say that the developing countries are with us. You saw it at Hong Kong that 118 countries were with India. India is providing the leadership to all the developing countries because when India is speaking, we are not

speaking just for India, we are speaking for Africa, we are speaking against the cotton subsidies in the United States. In the United States' cotton price, 44 per cent is the subsidy. How will the poor African countries deal with this? How will they compete with 44 per cent subsidy? And, their only product is cotton. How will they compete with 44 per cent US subsidy? So, when India speaks, India speaks for these countries also. We expressed concerns for developing countries, small countries, the Caribbean countries, Pacific countries, African countries, and I have assured them that India will continue to stand against the vulnerable economies; vulnerable economies which have one product, say, Mauritius.

SHRI T.K. RANGARAJAN (Tamil Nadu): Give them reliable leadership.

SHRI KAMAL NATH: Well, of course. Up till now, they are confident. That is why they are behind us. Otherwise, they won't be behind us. They would have run away. So, we are concerned with the vulnerable economies, which have only one product. Mauritius has only sugar. Some country has only bananas. Some country has only cotton, nothing else. So, they are vulnerable countries, they are the least developed countries. So, when India speaks, we speak representing them all, we speak as a voice, with one voice. So, we form a very strong coalition. That is why our coalition changed the manner of discussions in the WTO. For the first time, today the western countries, the developed countries are in the corner. For the first time, they are feeling that the old method of negotiating by 10—20 countries got together and badgered their way through no more works. It is because of India's leadership in this. And, I assure the House that all interests of India in industrial products, in agriculture, in services, will be protected. In the latest Paper in which I am opposing, I want to say very clearly that we will never accept it. A Paper has been moved on Fisheries Subsidies. They want to contain India's subsidies; they want to look at our food stocks and point out at the subsidy given. All this is totally unacceptable and I have made it very clear. I was in Africa last week and I met the Director-General. I made it very clear that these are just no-go situations. We want the completion of this round but the content of this round is as important as the completion. We do not want the completion without a good content. Only when we have the content will we have the completion of the round. This is my assurance. I hope that with all of your support, India will be able to stand up. Thank you.

MR DEPUTY CHAIRMAN: Now, message from Lok Sabha. (*Interruptions*)

MESSAGE FROM LOK SABHA

The Finance Bill, 2008

SECRETARY-GENERAL: Sir, I have to report to the House the following message received from the Lok Sabha, signed by the Secretary-General of the Lok Sabha:

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose the Finance Bill, 2008, as passed by Lok Sabha at its sitting held on the 29th April, 2008.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."