

[9 December, 1999]

RAJYA SABHA

SHRI S. VIDUTHALAI VIRUMBI: Madam, I am not accusing anybody. The Government of Tamil Nadu is taking appropriate and necessary action. There is no negligence on the part of the Government of Tamil Nadu.

THE DEPUTY CHAIRMAN: Mr. Virumbi, it is not a question of Maharashtra Government, or, Tamil Nadu Government, or, Gujarat Government. But it is very unfortunate that whenever an issue about Tamil Nadu is raised, why do you get so sensitive?

SHRI S. VIDUTHALAI VIRUMBI: He is politicising the issue, Madam.

THE DEPUTY CHAIRMAN: No, no, he is not politicising the issue. *(Interruptions)*...

SHRI N. THALAVAI SUNDARAM : I am asking..*(Interruptions)*...

THE DEPUTY CHAIRMAN: It there are courts in Tamil Nadu, there are courts in the rest of the country also. He is giving his experience, as to what happened in his State. Don't you want that working of the courts should be improved. Now I adjourn the House for one hour for lunch.

The House then adjourned for lunch at twenty-nine minutes past one of the clock.

The House reassembled after lunch at thirty-one minutes past two of the clock,

[THE VICE-CHAIRMAN (SHRI MD. SALIM) in the Chair.]

SHORT DURATION DISCUSSION

Third Ministerial Conference of World Trade Organisation held at Seattle, U.S.A. and the Statment made by the Minister of Commerce and Industry on the 8th December, 1999

.SHRI PRANAB MUKHERJEE (West Bengal): Mr. Vice-Chairman, Sir, the 3rd Ministerial Conference held at Seattle from 30th November to 3rd December, 1999 ended without any Ministerial declaration. I am happy that the hon. Minister has made a statement placing the facts as to how the negotiations and discussions took place at Seattle. The Indian delegation led by the hon. Minister made its own contribution. Sir, I also had the privilege of having a discussion with the hon. Minister when he started the process-

of consultation before he left for Seattle. Of course, at that point of time neither of us had the apprehension that it would not be possible to have some sort of an agreement, at least, on certain issues and a situation will arise when there will be no ministerial declaration because of the firm contradictory positions taken by the various contracting parties. Now there is one danger. There was no conclusion after these negotiations. After all, our experience is, the rule-based multilateral trading arrangement is always advantageous to the developing countries as compared to the trade arrangements arrived at through bilateral negotiations with the powerful trading blocs, for the very simple reason that we do not have the type of bargaining capacity, *vis-a-vis* a large trading partner. Therefore, from that point of view, we are really disappointed. The second point which we shall have to keep in view especially in the context of the experience which we have gained during the Uruguay Round of talks is this. After the negotiations began at Punta Del Esta most of the developing countries took a particular common stand as they took at Seattle. But, after that, the pressure started mounting on the developing countries by the big trading partners. And, ultimately') one by one, not collectively, but individually, had to support it. Also, what we found was that when even the Dunkel Text, which summarises the conclusions of the Uruguay Round of Talks, was not universally accepted, certain leading developing countries, numbering 37, guided by the President of Mexico, wrote\ to the Japanese Prime Minister, the British Prime Minister and the U.S. President, urging upon them to come to some conclusions on the basis of the Dunkel Text. Therefore, the point that I am trying to drive at is that the same scene may be repeated, and we should be careful about it.

As regards mandated negotiations and mandated reviews which were decided at the Marrakesh Agreement, in the concluding part of the statement, the hon. Minister had stated that he was hopeful; we share his hope and expectation that at least the mandated negotiations on Agriculture and the General Agreement on Trade in Services, will take place from the 1st of January, 2000, and also that the mandated reviews under the Uruguay Round, which were decided at Marrakesh, will also take place. I am not quite sure whether another round of ministerial talks will begin at Geneva, as we find from the statement of the Minister that the Chairperson of the Seattle Conference has indicated that the Director-General, WTO, will hold consultations with the member-countries and make a proposal for resuming

the work of the Ministerial Conference. If the Director-General, WTO, succeeds in resuming the Ministerial Conference at some point of time early next year, we should take advantage of that. As I mentioned to the hon. Minister, in my discussion with him, that our approach should be that we must engage ourselves in discussions on issues even on which we do not agree with others. And, in that context, we can identify certain issues on which we would like to have hard negotiations, try to get as much concession as possible, and on certain other issues on which we do not want to settle in any agreement, we should not appear to be disinterested in discussions; we should not disengage ourselves from the discussions; we should continue to engage ourselves in the discussions so that an appropriate, conducive atmosphere, can be created. There is no denial of the fact that with regard to the very nature of negotiations and talks which will take place, specially in relation to our trading partners, if from the very beginning, we have a clear vision in our minds that this is the objective which we would like to have, it will be easier for us to get the trade concessions on a larger scale than what we have achieved in the past. Therefore, this aspect is to be kept in view.

Now, there are certain issues on which, I think, we should share our own perceptions. Surely, we would not like to have core labour issues. Apart from the other aspects, it is not factually correct to say that market distortion takes place to the extent the developed countries are claiming, namely, because of cheap labour or the so-called bonded labour and child labour. All studies have clearly demonstrated that market distortions on these counts are not of a very high order. But, surely, these may affect certain specific industries. Why I am emphasising on having mandated reviews is because our interests are of vital concern. Take the case of MFA. Even in Marrakesh agreement itself, it was back-loading than forward-loading, so far as dismantling of MFA was concerned. But from 1995, what I found was, when his predecessor, Mr. Hegde, participated in the Ministerial Conference at Geneva, he, in his country-statement, indicated that in the last three to four years, the integration has taken place only to the extent of four to five per cent. But there was a clear understanding at Marrakesh that our liberalisation in certain other areas will be calibrated with the dismantling of the MFA. Therefore, this aspect has to be kept in view; it is not merely the question of abolition of quotas.

Then comes the question of tariffs on finished products. They always claim and try to lecture us and educate us that their average rate of duties is reasonably low. But what is important is the effective rate of duties on various manufactured items, in which we are interested, specially, the Herts which are closely related to the intermediate level of technology, for which we have access to markets. The third aspect on which all these have one common object is to raise some sort of non-tariff barriers and to resort to protectionist measures to deny market access to the products of the developing countries. There is no denying this fact and we do not expect that the industrialised countries will not protect their own interests and that they will be philanthropic enough to help the developing countries. It is not so. Whether it is liberalisation or it is the non-liberalised form of economy or globalisation of economy or the integration of the economy, there is no ulterior philosophical or philanthropic motive. Every country would like to protect its national interest, in a given situation, to the maximum extent possible. Therefore, it is quite natural that the industrialised countries will like to pass on their problems to us. In three major areas, the industrialised countries are facing problems today. The percentage of working population, as against the percentage of pension-holders, is comparatively more. Each of the industrialised countries and rich countries today is facing a serious fiscal deficit and budgetary deficit, because they cannot compromise with their huge social service commitments and, at the same time, they cannot displease their voters and tax-payers by raising the taxes. Therefore, some sort of an arrangement will have to be made where they can transfer their problems to the developing countries and this exercise will continue to be there and our approach cannot be that we should disengage ourselves and come out of it, live in a cocoon, because if we live in a cocoon, we will be isolated and nobody will be with us. But we must be on the stage. We should confront them. We should engage ourselves in negotiations and try to get as much as we can from the given situation. Therefore, in this context, there are four major issues, on which, I think, we should be very clear in our vision. Surely, our commitment to labour relations is quite clear. We are not going to indulge in child labour because we ourselves have made some sort of a commitment, and it is the stated policy of every political party that, over a period of time, we must abolish child labour. In our country, there is no bonded labour; there is no prison labour. Certain other countries may have a large quantum of productions

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through forced labour, but that is not the system in our country. But, it is a question of principle, whether a trading organisation should be the arbitrator in respect of core labour relations. Therefore, we readily agreed to have it at the ILO, not at the WTO. Perhaps, India can claim that so far as its commitment to the International Labour Convention is concerned, it is second to none.

Same is the story with the environment. As the hon. Minister has stated in his statement ~ and we also read it in the newspapers — various interest groups were there to put pressure. Sometimes we find a very peculiar correlation between what the policy-makers want and how their NGOs subscribe to the desire of the policy-makers in the garb of broad ideological philanthropic approach. If a country wants to put an embargo on the export of textile products of a developing country, the NGO of the importing country will start making noise, "Don't import from that country; they engage child-labour there." The two interests coincide, and it serves the purpose. Same is the story with environment. What is happening today? Those who are primarily responsible for distorting environment today — therefore, all the obligations which the international agreements impose on them, they are not agreeing today — starting from the Rio Declaration to the Montreal Convention, they are not subscribing to the view, so far as money is concerned. But, they must talk that they cannot accept our products because they are not packaged in biologically degradable packaging material. Therefore, whatever little bit we could earn, it has to be stalled. If my carpet export is to be restricted, it will have to be linked with the exploitation of child-labour, and certain NGOs will come, and they will make noise, and say, "Look, we are sensitive to these issues. Therefore, what can we do?" Therefore, this type of problems we shall have to face in the various stages of negotiations, but we must be quite clear what we want in certain areas. Here, as the hon. Minister is well aware of, it is not that 135 countries are sitting around the table and arriving at some sort of decisions. Within the broad umbrella of agreement, we shall have to negotiate with all major trading partners. And, here we should keep something at our negotiating table and say, "I can give you this, if you give me that." If we have that type of approach, to my mind, we can substantially gain. Yes, we would like to have. They are saying you reduce your tariff, ensure unrestricted movement of the goods and services. Very well, we are prepared to do, and we have done so; all the developing

countries have done so. But what about the free movement of the natural citizens? What about the movement of service-providers? If in a particular country there is no P-3 visa restriction in the export of computer software along with service-providers, we can earn substantial income and foreign exchange, and we can create a market there. Therefore, these aspects are also to be taken into account.

Another angle is attempted to be injected, and that, to my mind, is somewhat non-tariff restrictions and promotion of good governance. What is the concept of good governance? Who is going to determine what good governance is? Is there any general criterion which can determine good governance? A country having democracy for 200 years, doesn't permit a black person to enter a certain office, if it tries to give a lecture about the concept and norms of good governance, who is going to determine it? Who is the ultimate decider of the type of governance which one would like to have? Surely, it cannot be any external agency. They know it very well. It is not that they do not know it. At the same time, they will have to raise this issue. As I mentioned, environmental protection or maintaining environmental interests is not so much their concern. Welfare of children or dignity of labour is also not so much of concern for them. These are just a facade and behind this facade, there is an ultimate objective: "If I cannot provide it, if I am unable to have tariff restrictions, then let us put some non-tariff restrictions so that I can protect my industries, I can protect my product and I can deny market access to my competitors." The so-called slogan of good governance can be used as a philosophy, just to hide the ultimate motive of resorting to protectionist practices.

One more point, Mr. Vice-Chairman, I would like to emphasise and that is the minimum agricultural imports, as agriculture is going to be discussed. So far as the present arrangement is concerned, with the type of tariffs which we have, I am afraid our market is totally protected. There is no denying the fact that with this level of import duties, nobody can import agricultural products and sell those products in our country and earn any profit. But there will be pressure. There will be pressure from almost every part of the world, from people who are interested in agricultural exports. So far as the subsidies are concerned, we are on a strong wicket because our subsidies are practically negative. We need not necessarily be worried over it. But what we should be a bit worried over is, perhaps, we may be pressurised to reduce our tariffs to some extent. It will depend the

negotiating skills, to what extent we can agree. Here too, we should emphasise on the concept of food security. Agriculture is not just a tradable commodity; it is closely linked with the food security. Surely, with regard to the concept of our food security, a country having one billion people, the concept of food security cannot be equivalent to the concept of food security of a country which is mostly an exporting country, having 16 or 17 million people. I think, every year, we add to our population, equivalent to the entire population of that country. So, our agricultural programme, the access to our domestic market with regard to agricultural products, is not divorced from our concept of food security. This aspect has to be kept in view when we enter into negotiations on agriculture.

Another point to which I would like to draw the attention of the hon. Minister is the shifting of certain industries, because this is also going to be discussed. The ultimate object of industrialised countries, where they are finding it extremely difficult to carry on certain industries within the domestic atmosphere, would be to shift the industries and, for shifting that, they would like to have some sort of a multilateral agreement. That is why the concept of MAI, Multilateral Agreement on Investment, is being propagated. It is good that all the industrialised countries were not together in regard to what they wanted to have at Seattle. The European Union wanted to have some sort of Millennium Round of Talks and to enlarge the agenda of the WTO. The USA was not so enthusiastic about that type of agenda, but they have their own agenda, specially the labour and food, and, the trade and environment. We had our own agenda. Naturally we will be interested to have our pending issues especially from the Uruguay Round and emphasise more on implementation because we know where the shoe pinches and how to get a redressal. All these divergent interests did not combine, especially of the industrialised countries, as they had combined in the past. This time their differences were sharply focussed. They would like to have, perhaps, their emphasis only on one aspect of investment, that is, trade. But, there is another angle and that is developmental. Investment cannot be divorced from the developmental angle. So, it is a trade and developmental angle. Who is going to determine the nature of investment, the areas of investment, except the country concerned? How can it be done by a contractual obligation and arrangement? One can understand that you have to give the national treatment if you voluntarily decide to open up. But what I will agree to open

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up or whether I will open it up at all or not, how can you decide it by a contractual agreement? That has to be decided by the concerned country

depending on the socio-economic conditions prevailing at the point of time. It cannot be done globally. It cannot be done in a straightjacket formula. Each country has its own ethos and has its own problems. The type of investment, nature of investment, areas of investment where they would like to have, will have to be decided in the context of the prevailing socio-economic conditions and the requirement of that country. But we have already gone well ahead because whenever we are asking for investment, we have prepared ourselves to have bilateral investment agreement and with a large number of countries we have done it. Our track record is quite clear. We have provided national treatment to those who are coming for investment, and we are trying to provide them the sectors which we have opened up for investment from abroad. We have not made any discrimination. For that we have been criticised domestically. But so far as our international posture is concerned, we can say, yes, we have done it. Therefore, Mr. Vice-Chairman, Sir, my submission to the hon. Minister would be that we shall have to remain vigilant in the course of discussion because, to be very frank, I may sound pessimist, from the experience of the Uruguay Round and even before that of the Tokyo Round in 1976, what we found was that the position which we took effectively at the beginning of the negotiation, at the beginning of the Conference, we could not sustain that. I do not blame anybody because the pressure is so high, intensive and extensive that most of the countries cannot afford but to succumb to that pressure. Therefore, that position should not be there. They are like Casablanca standing on the dock, we are alone, and there is nobody, as it happened at the ultimate stage of Uruguay Round of Talks. Still I do believe that if we could have effectively engaged ourselves continuously from 1987 to 1991, perhaps, 1993, we could have got more concession than what we got. Therefore, in this Round of talks, in this Round of negotiations, let us keep our eyes open, let us have an adequate elbow-room and let us not talk of a dogmatic position; let us keep the national interests above all. I do feel that adequate flexibility should be there to our negotiators who will be sitting at the negotiating table. Thank you, Mr. Vice-Chairman, Sir, for giving me this opportunity.

DR. L.M. SINGHVI (Rajasthan): Mr. Vice-Chairman, Sir, I welcome the statement made by the hon. Minister, Shri Murasoli Maran, yesterday, and the speech delivered by Shri Pranab Mukherjee now. These two speeches demonstrated, in this respect, that the governance and our economic policies represent a broad continuity. The Western countries, Mr. Vice-Chairman, Sir, like to think that they had invented globalization. They tend to forget that globalization, as a civilizational concept, goes back to the dawn of human history when our ancestors of integrity proclaimed that the world is one family - "*Vasudaiva Kutumbakam*." The W.T.O., today, proclaims that the world is one market, or, is, on the way, to becoming one market. But the world to become one market and a fair market, the world should never forget that it has to treat human-kind also as one family. Without it, there would be a lack of sensitivity, there would be a lack of concern, and there would be a calculus of power in play. It is, therefore, important that we try to temper a somewhat rootless concept of the market, which says that everyone for him and let the devil take the hindmost; but, the devil will never let down its enthusiasm in taking the hindmost. It is very important for India not only to provide a representative point of view, based on national consensus but also to make sure that the global economic order is more just, fairer and more favourable to the people who have tost out in the earlier phases of globalization, particularly, the colonial and the new- colonial phase of globalization. Sir, Pascal, a very wise philosopher of the West, said that the aim of civilization should be to make the weak, strong, and the strong, just. But the W.T.O, is not a dialogue of civilization. It is a dialogue of the market. We are not strong enough, economically, and those who are economically strong are not necessarily inclined to be just. We must remember that we did not make this world; we only arrived into it. Therefore, we have to do the best we can to make it a fairer world order, through negotiations, through articulation, through an assertion of points of view because, after all, globalization is what globalization does. Nothing works unless it works for the people of India. That is the point of view which is common to us all. And I am glad to say that the hon. Minister, Shri Murasoli Maran, had made very strong point of it, when he spoke on behalf of our country at the failed Seattle Round. Our negotiating strength lies in the solidarity of the developing countries. Our negotiating strength lies in greater South-South co-operation and togetherness. Our negotiating strength lies in a mature and realistic appraisal of the challenges and the

opportunities, which a new economic order might present. We cannot afford to opt out of it. Nor can we allow old injustices to be perpetuated. It is, therefore, important to make sure that we understand that why the process of globalisation is inexorable and inevitable. Dr. Manmohan Singh, sitting here, made a distinguished contribution to come to grips with this reality for our nation. And it is this coming to grips with the reality that is vital. At the same time, it is important to remember that the only way to predict the future of globalisation is to try and participate in it, to shape it for the poor of the world, to shape it for the marginal population of the world, and to make sure that globalisation is turned to our advantage. It is important that you must use the forum of WTO to articulate our concerns, to rally the developing world, and to make the economically strong somewhat more inclined to justice. It is important that the process of globalisation is a process of a better evolution of the terms of trade, if I may call them so on the larger canvas. It is important that the WTO and the regime that we bring into existence is true to its declared purpose, that is open, that it is rule-based and that it is non-discriminatory multi-lateral trading system. If it is not that, then it only has a veneer of creating a market of the world, while underneath lies a design for domination. That is what we must resist while we facilitate a fairer world market. It is also to provide, what one might call, a predictable market access. I am not sure that the regime, as it is being formulated now, will yield the most important thing in the process, a predictable market access. I am also unhappy with regard to the dispute-resolution systems. The dispute-resolution systems, I am sure the hon. Minister will take note of it, are extraordinarily expensive in the West. Many of the third world countries—these are called third world countries although, for all of us, they are our first world. They are not our third world. These countries cannot easily afford to litigate, even though we have a fairly good position to litigate. Therefore, the WTO and the regime that it creates should not be driven by the interests of the economic super powers alone, but by the norms of the system. The norms of the system mean that we will have a more open, more transparent, more non-discriminatory systems of trade. It was unfortunate that the Seattle WTO Ministerial Conference had to be suspended. The hon. Minister made a very precise, but a very meaningful statement only yesterday on the floor of our House. Ambassador Barshefsky, who spoke for the Conference candidly confessed that the process itself was a flawed.

That is a point for us to understand and emphasise. He accepted that the issues were diverse, complex and novel, and that issues were not addressed in terms of a viable consensus. It is, therefore, important that there is a greater internal transparency in the process of negotiations, that there is a larger and more diverse membership brought into the concerns of the WTO, The next Ministerial must be based on a greater consensus towards which we can work in advance. It should be a more fully inclusive process. It should be a process in which India can represent even more effectively the point of view of many countries in the world which have similar interests and which have similar concerns. I do not know what the response of the G-7 is to a representation made by India on behalf of 12 countries? I would like the Minister to tell us as to what happened to a rather detailed representation of various concerns with regard to W.T.O, which was made, I believe, in October, and whether there is a willingness to accommodate those concerns. There is the problem, for instance, of dumping. We suffer the two ends of dumping. Goods are dumped into our country and our legal system looks helplessly at what happens; and what is more surprising is that, where anti-dumping measures are taken, more and more difficulties are created for our goods. I must congratulate the Minister for having made a very precise and a very telling statement at Seattle. I think it is a statement which should meet with the approval and which should receive the accolades of the country. He said, I quote, "Our assessment has all along been that the Uruguay Round Agreement have not served all the membership well and there are critical gaps that need to be urgently addressed". He then went on to say, "Assymetry and iniquities in several of the agreements including those relating to anti-dumping, subsidies, intellectual properties, TRIMS and the non-realisation of expected benefits of agreements, such as textiles and agriculture, during implementation, has been a matter of great concern; special and differential treatment clauses have remained virtually inoperative". The textile sector has thus far witnessed a mere 4% of integration of the restraint items by the developed countries. This is something which concerns us and this is something which is destructive of the promise of W.T.O, because there is a lack of sincerity in the implementation when it comes to interests which they wish to safeguard. There is enthusiasm and zeal when it comes to our interests and suppressing them. This is where I think a just, fair, solution has to be found through negotiations. The developing countries have some very legitimate

grievances, have some very legitimate apprehensions, with regard to what is happening, but, on the other hand, we cannot, as I said earlier, opt out of the system. We must actively participate in it and lead a movement for making it a more just economic order. I think the Minister has rightly said in his speech at Seattle and this a portion which makes me very proud of his insistence on our point of view. He said, "We are committed to strengthen rule-based, non-discriminatory, multilateral trading system which is fair and equitable". He said, "The central theme of any negotiations should be to focus on all-round development, capable of eradicating poverty. Economic integration cannot advance, if the interests of the poor are left behind". It is vital for the two Houses of Parliament and for the people of India to know that the W.T.O. has to be cast in a different mindset than the globalisation that the world witnessed during the colonial period. If colonialism was a form of globalisation, we want none of it. We do not accept a new colonial pattern, a sort of old wine in a new bottle, only more attractively packaged. We want greater equity, greater openness, greater transparency, greater plans and a non-discriminatory regime, to provide us with greater and more predictable market access. The problem is, we have been made poor by historical circumstances. We stand at a critical juncture of history in economic negotiations. We cannot afford to be short-changed at this critical juncture of history. There were inherent imbalances in some of the Uruguay Round agreements. The greatest drawback of the TRIPS is that it extends a high protection to industrial products but does not recognise the rights of the countries of origin. This is something of very great concern to us while granting patents of products developed by using traditional knowledge or bio resources of countries like India. If that is so, it is an agreement which is being implemented only selectively and not in the spirit of fairness and justice. The agreement on subsidies and countervailing measures is also clearly discriminatory. The TRIMS is likely to hurt the industrialisation in developing countries. It was pointed out in the representation that was made on behalf of the 12 countries. I wonder if it was only a dialogue of the GATT. I wonder if there was any real answer to the issues. It should have been 70 to 80 countries, which we could have led in this process, and that should be our effort at the next Ministerial.

Developing countries have a problem due to lack of implementation of the provisions that favour them. We find that insincerity is writ large in the attitude of the more developed countries in the economic regime that has to

be just and fair if it has to work for that indivisible peace and progress, which is our dream. The agreement on textiles and clothing is yet another example. The tariff peaks and tariff escalation in the developed countries deny an effective market access to us. I came across a somewhat strange situation in respect of HS40210 and HS40229. These are two dairy products. In Japan the percentage of credit rates are as high as 336 and 988. This is something from one of the G-7 countries that are telling, lecturing us on our tariffs, whereas it is zero in the first place and 35 in the second in India on the same specification in India.

We know that the OECD is also protectionist. We need to give them a signal that we need a non-discriminatory and freer access in sectors such as textiles and processed foods. If I may borrow the expression used by my distinguished friend, Shri Pranab Mukherjee, we need hard diplomatic negotiations. But economic diplomacy and economic advocacy are, therefore, at the heart of the whole process. In the next Ministerial, I am sure that these concerns would be made to come alive, that the justice of our case would be established and that we would lead a much larger group of countries to represent these issues.

The agreement on agriculture is of great importance to us. So is the issue of labour standards. The developing countries are going on a tangential journey of their own. I think that that point has been made very effectively by Shri Pranab Mukherjee. We are, after all, members of the ILO. We subscribe to the ILO Convention. The WTO does not have to meddle into this.

The question that I ask of myself and that we should ask of the more developed countries is: Are they prepared also to accept a freer movement, not only of goods but also of human resources? If they are not, they must pause and consider that at least movement of goods cannot be subjected to the kind of discriminatory tariffs that have been imposed from time to time.

I think the issue of sweated labour is one that has raised a convenient handle against countries like India. Mr. Vice-Chairman, Sir, I would like to remind my friends in USA about the sweat and labour in California. A recent study shows that a product known as 'Niky' has been using, 44 sweated labour. It is true that we need to make a great deal of progress to make the conditions of our labour more equitable, but it is riot because somebody else is asking us, but because we need to do it for the ethos,

which is the dominant philosophy of our own country's commitment. But, I think, it is not for that country to tell us in this respect, or to join non-trade issues with agreements on trade, in order to acquire a convenient handle to practice discrimination and to assert their own market power. Sir, I would like to know a little more on the position of our Government on movement of human resources and how they propose to negotiate.

The promise of the W.T.O, is very considerable. I think it is that promise which we must try to fulfill for ourselves and for the rest of the world. That is possible only if we are able to combine a variety of approaches. A multilateral approach to this issue, particularly, in the South-South cooperation, would help us a great deal. But, I think, we would have to remember Portia's response in Shakespeare's play to the demand for a pound of flesh. I think India has to offer that response, because it cannot be an unequal negotiation. It cannot be a negotiation which leads to results which are unjust. The speech that our hon. Minister made at Seattle holds out the promise that the country's interests have been safeguarded, that the country's interests have been articulated, and that the country's demand for justice has been put before the world community. We need to continue to press it. We need to make the best of the nation's managerial capabilities, we need to do a lot of homework in this country. I would like to congratulate the Government for "having held considerable negotiations within the country. We need to deepen them more, we need to make them more intense. We need to identify specific nuts and bolts of these negotiations, because diplomacy is mastering your own brief and presenting it in a way in which we can safeguard the interests of our nation; at the same time safeguard the interests of the poor, the depressed and the vulgarised people in the world everywhere. It is thorough negotiations, diplomacy and consultations with other countries that we can arrive at a more equal and fair order and create world solidarity, in the context of making the World Trade Organisation a fair and just organisation; the world economic order to be an order which will deliver greater justice, greater prosperity and a better trading system. Thank you.

DR. BIPLAB DASGUPTA (West Bengal): From the account that the hon. Minister has given, it seems that we really underestimated what he actually achieved. As a professor in my life, I will give him at least 80 marks out of 100 for the internal part and also 90 marks out of 100 for the external part. If I am not giving him 100 marks out of 100, it is because Professors are

misers in giving marks.

As regards the internal part, I would say, as a party, we had been demanding for a long, long time, the emergence of a national consensus on the Seattle discussions. You will recall that in Parliament that for the last one year, whenever the occasion arose, we have been asking for a consensus in regard to the Ministerial Conference of the WTO at Seattle; and some preparations for bettering trade relations. We have been mentioning all these things for the last one year. But our demand for a national consensus was not given any importance by the powers- that- be. Then, we told the Government that the elections were coming and there would be very little time between the formation of the new Government and the discussions at Seattle. But if there was a consensus, no matter who won the elections they would be able to go into the Ministerial Conference, with that consensus. Even then, the Government did not do H. We did not ask for a debate. We suggested that there should be a national debate; and let the Government come out with a White Paper, saying that " this is the position that we are going to take at Seattle; and let us - we also - be forced to give our own point of view, rather than the sort of mudslinging that we saw in the last election campaign. There could have been a discussion on a substantive subject like this. But it did not take place. I am very glad to say that when Mr. Maran took over, he sought our support. He sought our participation in the Indian delegation. Sir, usually, you don't participate in such delegations. But since we have been advocating for a consensus since a long time, how could we ignore such an invitation? Mr. Maran is justified in that., and we gave our fullest co-operation at Seattle. When the question of national interest was at stake, we did not flinch. We gave him all the support that he wanted both in India and outside India on this particular issue. That is why I think it is a very big achievement on consensus. Though a consensus could not be reached in Delhi, we could reach it at Seattle. Now, Mr. Maran has more time on hand to involve everyone for the next meeting, and in whatever he does, where the national interest is at stake.

The second achievement of our Minister has been on the external front. I think, he has made an excellent speech at the Ministerial Conference of the WTO at Seattle. I think, he should distribute a copy of his speech at Seattle to all the Members because it does reflect our genuine concern on a number of issues. At the Conference, there were all kinds of pressures which

Pranabbabu has just now mentioned. But until now, actually, we did not resist such pressures. When the Uruguay Round discussion took place, between 1986 and 1994, and between 1986 and 1991, there was some resistance. Our Government did not give in. Other poor countries gave in. As soon as the Soviet Union collapsed, the resistance by the Third World countries collapsed. They have all submitted to the will of the rich countries. If the discussion dragged on for three years, it was not because of our intervention, it was because of a dispute between the Americans and the Europeans. So, at the end of it, when an agreement was reached at Marrakesh, it completely ignored our interests. How was it a prejudicial to us? It was very unequal, it was very unfair and absolutely suiting the interests of the rich countries. Otherwise, the poor countries, including India, did not protest, did not open their voice, because they were intimidated by them which Pranabbabu has admitted. But now we find, the situation is different. In 1994, we had brought in changes. As Mr. Maranji will testify at this Conference we found that the people in Africa were boiling with anger, people in Latin America were boiling in anger. They were looking for an outlet. You cannot expect Burkino Faso to lead the Third World countries or Uganda to lead the Third World countries. It has to be a big country to lead the Third World countries.

When Pandit Jawaharlal Nehru started the Non-Aligned Movement, he had only two supporters, Egypt and Yugoslavia. Within ten years, it became a mighty movement. At this Conference, India, along with Egypt, to some extent, Indonesia, did manage to put up some resistance to the American bullying. This has helped the other countries to rally around us. This thing happened to a number of countries like India. I am sure, we should take pride in what we have done. It will certainly help other smaller countries to polarise around us. It would not have been possible if a biggish country did not take a stand on this issue, which we took. All these countries, in all their speeches, what did they say? Almost all of them said that in 1994, they were promised a lot of gain from the TRIPS, but nothing was gained. The Latin American countries said, the African countries said, that they did not gain from that. But the multinationals, the rich countries, gained. They got access to all markets. We did not get access to the biggish country markets. They demonstrated it. They made a number of points. They have said that while the rich countries ask us to liberalise, they themselves practise protectionism; while the rich countries want us to

reduce our subsidies, they give enormous subsidies. For instance, agriculture. The Americans give a subsidy of 50 billion dollars for one crore agriculturists. They give a subsidy which is equivalent to 20000-30000 dollars per agriculturist in America. And, we have 60 crore agriculturists; we get less than one billion dollar. But, look at the way they operate the WTO! They define their subsidy as good subsidy and non-actionable though enormous and astronomical, and our subsidy as bad subsidy, because they control the world forum. This is the way they interpret it. This unequal way of doing it, the total lack of a level-playing field, was boiling the temper of the voters of the world economy together. India was associated with Pakistan, with Bangladesh. It is a strange thing. There were not many differences on this issue. There was a tremendous narrowing down of differences because they all had the same experience, with the rich countries. What humiliated the poor countries the most was during the last phase of negotiations. The negotiations were taking place in what is known as the 'Green Room', the 'Green Room' of the Director-General. In this Green Room, there was accommodation only for 23 countries. So, 23 'privileged' countries -we were among them -were together and 100 other countries were loitering in the corridor. And they talk about transparency! They talk about democracy! This is what happened. The African countries came together and said, "We are dissociating ourselves from this". The Latin American countries said, "We are dissociating ourselves from this". They dissociated themselves, excepting those that were inside. This humiliation which they experienced at the hands of the rich countries was the conclusive experience and which led to the position that none of them wanted to agree to a consensus.

We should realise one or two things. Why should the WTO take over the job of other United Nations agencies? There is an agency called the International Labour Organization which has got government representatives, workers' representatives and management representatives. They should discuss labour standards. Why should the WTO do it? Take environment. There is an organisation called the United Nations Environment Programme. Why should they discuss environment? They would talk about agriculture. There is the Food and Agriculture Organization. They should discuss it. If it is Intellectual Property Rights, there is the World Intellectual Property Rights Organisation for a long time. Why should they discuss Intellectual Property Rights? If you are discussing

industrial tariffs, why the WTO and why not the United Nations Industrial Development Organization? There is a deliberate, conscious, attempt on the part of the Americans to sideline the United Nations, to subordinate and supplant the United Nations agencies and to put the WTO on top of them. That should not be allowed. We should never allow anything to infringe upon the jurisdiction of the UN agencies. Nor should we allow them to infringe upon our economic sovereignty. Labour standards, we should decide ours. Why should they tell us? It is for us to decide. I should also mention another thing. Why should they try to bind the entire world in terms of a set of standardised rules. One rule for investment, one rule for patent, one rule for environment and one rule for labour. Why? We are different countries; we have different backgrounds, we are at different levels of development, we have different resource environment, we have different types of history. How can you bind the entire world in terms of a simple set of rules? When we come to rules, we talk a lot about rule-based organisations. When you come to rules, rules are framed by the multinationals, rules are framed by the G-7 countries. There is no equality of rules. Mahatma Gandhi had said something very important. He said: "There can never be an equality between the giant and the dwarf." I give this example in many cases. Suppose a boxing match is going on, and in the boxing match, the rule is uniform for both the boxers. The referee is absolutely neutral. The measurement of the gloves is the same, the measurement of everything else is the same. The only difference between them is that on one corner is Mohd. Ali and on the other corner is Dr. Biplab Dasgupta. What will be the outcome? The outcome is implied. Now, this is what is happening in the world arena. What is the point in having uniformity of rules? We require different rules because we are not at the same stage, and as long as they dominate us with their own patent laws, we will continue to be technologically dependent on them. We will never be able to get out of the poverty trap; we will never be developed.

I would also like to make one more point. Now we have gained something from this. For the first time, in many years, the American hegemony has not been carried. For the first time, in many years, the poor countries have got back some sense of self-respect. Now, we are in a position to build on this. I will not agree with Pranab Babu that the question is of implementation of the Marrakesh Agreement. We should do the opposite. We will ask for renegotiation of the Marrakesh Agreement. Why

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RAJYA SABHA

should we accept the Marrakesh Agreement? Why should we accept an agreement which is unfair and unequal? Why should we accept it? We should ask for renegotiation of the Marrakesh Agreement and we should take the initiative. Yes, many poor countries are afraid of them, they are intimidated; the heavily indebted ones are afraid of the IMF and the World Bank. They can always be subjected to blackmail. They are afraid of them. But make a beginning, and maybe, it will become a mighty movement. But the point is: Why should we accept the Marrakesh Agreement when we had no role to play in the preparation of the agreement? Why should we accept it? Now that the poor countries in the world are more or less operating at the same wave length, we should try to fully capitalise on this situation. At the same time, I should say that when you go for negotiation - in January, we are having negotiation on agriculture or services - if these negotiations take place, we must prepare ourselves properly. I have told Maranji that we need a good home work, we need specialists, we need lawyers. The Americans worked with a large amount of brain power. They have an enormous concentration of brain power. Callaghan brought with him 400 doctors. Charlene Bershefsky brought in 300 doctors, and they are highly talented, highly skilled manpower lent by the multinationals. (*Interruptions*)

THE VICE-CHAIRMAN (SHRI MD.SALIM): Dr. Biplab Dasgupta, you have already taken ten minutes. Kindly conclude within five minutes.

DR. BIPLAB DASGUPTA: They look into every draft from all possible stand points, from legal, from political, from social, from technical and from scientific point. We should also look into each and every draft in that way, and if you have to do that, you need proper skills which can actually help you. Unfortunately, until now, we have not got the time. You have just become a Minister. I will request you to consult the experts. Try to consult as many people as possible so that India's interest is fully protected in these negotiations on agriculture or services or in the various reviews on TRIPS, on TRIMS or reviews that have been scheduled. We should take a very active role in all this and we should not assume that nothing can be done. We should not assume that there is no alternative. 'TINA' should be rejected. We should take a very active role to ensure that there is something which we can do in that conference.

Lastly, I say to Maranji that having achieved so much, having got 80 to 90 marks out of 100 from a renowned professor, you should not allow yourself to be given less than 20 or 30 marks in other subjects. For example, you are having a discussion on a number of things relating to the WTO. Take, for example, the Patent Bill. I do not know what you have in store. I do not want that having given you the highest marks on this, I give you tower marks on the Patents Bill. So, on the Patents Bill, we should not surrender. We will discuss that later. They want that the patenting period should be increased to 20 years. Everything will change in three, four, five years. So, the period should be reduced. It should be reduced to five years. Why should we allow our technology to be completely dependent on them? Making it 20 years means you will never get out of their technological awareness. Similarly, why should we change our established jurisprudence rule that the onus of proof is on the person who is challenging it? That should not be reversed.

On plant variety, on bio-diversity, I expect that our Government will not buckle under any pressure, but will move forward, will hold its head high, and with total sense of self-respect and self-confidence, you will go into the world arena. We will surely win, if not today, at least tomorrow or the day after tomorrow. Thank you very much.

MESSAGE FROM THE LOK SABHA

Re: Joint Committee on Offices of Profit

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:

"That a Joint Committee of the Houses to be called the Joint Committee on Offices of Profit be constituted consisting of fifteen members, ten from this House and five from the Rajya Sabha, who shall be elected from amongst the members of each House in accordance with the system of proportional representation by means of the single transferable vote:

That the functions of the Joint Committee shall be -