

how can two questions be put together?

SHRI RAJNI RANJAN SAHU:
Because they relate to the same subject. Madam, kindly allow me to ask a question.

THE DEPUTY CHAIRMAN:
No, no, I can't allow you. (*Interruptions*). Please, order. (*Interruptions*)
We are not taking it up. There is no question of getting agitated.

301. [The questioner (Shri Mohammed Afzal *alias* Meem Afzal) was absent. For answer, *vide* Col. ...*infra*]

302. [The questioner (Shri Krishan Lal Sharma) was absent. For answer, *vide* Col. *infra*]

Trade and economic relations with developing Countries.

@*303. **SHRI RAJNI RANJAN SAHU:**†

SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:

Will the Minister of COMMERCE be pleased to state:

(a) whether any attempt by big powers to restrict trade and economic relations with developing countries, including India, was observed at the recent World Economic Forum meet at Davos, by linking trade and economic ties with human rights, environment and other socio-economic aspects;

(b) if so, the details in this regard; and

†The question was actually asked on the floor of the House by Shri Rajni Ranjan Sahu.

@Previously Starred Question 183 transferred from 8th March, 1994.

(c) what was Government's reaction thereto?

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

Statement

(a) to (c) This issue came up in a session of the informal gathering of World economic leaders (IGWEL) in the World Economic Forum meet held at Davos, while discussing the economic scenario in the post Uruguay Round era. The spirit of GATT-93 negotiations was to create a climate of uninterrupted trade flow by removing both tariff and non-tariff barriers. In that context, it was stressed by India that in the area of trade no extraneous considerations, like human rights, environment, exploitation of labour etc. should be used as non-tariff measures to interrupt free access of goods and services from developing countries to developed countries. However, International commitments on these issues should be adhered to and discussed at other appropriate fore.

SHRI RAJNI RANJAN SAHU:
Madam, for endorsing the conclusion of the long seven years of the Uruguay Round of negotiations, I must congratulate our Prime Minister and the Commerce Minister and appeal to the House.....(*Interruptions*).

THE DEPUTY CHAIRMAN:
It is up to him. He is asking a question.....(*Interruptions*).....

SHRI S. JAIPAL REDDY:
Madam, it is the Question Hour, not a Congratulation Hour!

SHRI RAJNI RANJAN SAHU:
I am coming to the question but let

me express my feeling. Why are you not allowing me to express my feeling?
.....(Interruptions).....

THE DEPUTY CHAIRMAN :
Order, please.

SHRI RAJNI RANJAN SAHU :
I am expressing my own feeling. I must congratulate our Prime Minister and the Commerce Minister and appeal to the House to record special appreciation specially for resisting the demand of the U.S. for insertion of the 'Social Clause'.....(Interruptions)

THE DEPUTY CHAIRMAN :
Please, order.

SHRI RAJNI RANJAN SAHU :
Now I would like to know from the hon. Minister what steps have been taken.....

श्री प्रमोद महाजन : महोदया
(व्यवधान)

SHRI RANJI RANJAN SAHU :
He will respond to the sentiments. Don't worry. He will respond.

उपसभापति : आप अपनी बात कहिए।
उनकी बात नहीं सुनिए (व्यवधान)

श्री रजनी रंजन साहू : क्वेश्चन भी नहीं सुनने देते तो क्या करें? इसी पर हल्ला करने के मूड में हैं।
I would like to know from the hon. Minister what steps the Government had taken to expose and thwart the designs of the developed nations and the USA, namely to delay and defeat the very purpose of the Uruguay Round and to block the flow of benefits of free world trade to the developing nations. That is part (a). Part (b) is how the Government exposed the hollowness of the concern of the US and the developed countries for labour norms, human rights and environment when they have a long history of blatantly using anti-labour practice of hire and fire and exploiting natural resources and environment.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : Madam, so far as the issue is concerned, it was raised in the informal meeting of the world economic leaders, which is known as an informal gathering of the world economic leaders at Davos. In fact, it is not an official body. It is a non-official body. They, that is, the World Economic Forum, invited the people on their own from different countries. There were a number of participants which I have already given in the statement. They discussed the issues and the whole discussion was structured in such a way that there was no formal decision making. One such issue which came up, when the discussion took place sometime from 28th of January to 2nd of February, was as to what would happen after the Uruguay Round of negotiations. In that group it was pointed out—I was also a participant in that group—that if the spirit of the Uruguay Round of negotiations was to create uninterrupted trade-flow from the developing countries to the developed countries and *vice versa* and if the objective was to remove non-tariff barriers and to reduce the tariff rates, then no new non-tariff barriers in the name of environment, in the name of social clause and in the name of human rights should be brought up. As I mentioned, it was not a formal meeting and there was no decision-making. It was discussed and it was left at that stage. What happened after that at Marrakesh, if the hon. Members are interested, I will be explaining it to them later.

SHRI RAJNI RANJAN SAHU :
Madam, I would like to know from the hon. Minister how far the different developed countries, especially USA, UK, Germany and France, have come round to agree to the Indian point of view of granting freedom of movement of labour by liberalising the immigration policies and elaborating the General Agreement on Trade in Services accordingly.

SHRI PRANAB MUKEHRJEE : Madam, so far as the Davos meeting is concerned, as I mentioned, it was an informal discussion. Every body raised his viewpoint and expressed his opinion. It was just some sort of a sharing of views. But this issue emerged during the Ministerial statements at Marrakesh and some of the developed countries including USA and France raised this issue that WTO, the World Trade Organisation, which is going to be established from the date of implementation of this agreement, should discuss the international labour standard and its relation to the international trade. Opposite views were also expressed that we from the developing countries should have.....*(Interruptions)*.....

श्री प्रमोद महाजन : क्वेश्चन में दावोस गलती से छपा है, मेरी जिज्ञासा इतनी है ।

THE DEPUTY CHAIRMAN :
No. Let the Minister answer.
(Interruptions).....

SHRI PRANAB MUKHERJEE :
As I mentioned earlier, you cannot take any decision at all because it is an informal gathering.
(Interruptions).....

SHRI PRAMOD MAHAJAN :
You inform your Member that the World Economic Forum has nothing to do with this.

THE DEPUTY CHAIRMAN :
That is what he is doing now.

SHRI PRANAB MUKHERJEE :
Davos is a World Economic Forum. Marrakesh is a regular form. Therefore, there is a difference. Therefore, this issue was raised at the Marrakesh meeting. When that discussion comes up, I will explain it in detail.

SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE : I would like to know whether at Davos 1994 was considered to turn out to be an India-year and whether several

countries had indicated that India was on their priority list for foreign direct investment. May I know the names of the countries which had indicated such preferences ? I would also like to know how much of foreign direct investment has since been offered and committed and how much of it would be in the infrastructural sector. Secondly, one of the main successes of India at Davos and subsequent meets of G-15, ESCAP and Marrakesh and the discussions with the visiting US representatives, Ms. Robin Raphel and Mr. Talbott, is that the USA agreed to reopen the stalled textile negotiations and also agreed to remove all restrictions on handlooms export from India. If it is so, then what are the precise nature and details of this agreement on textile exports ?

SHRI PRANAB MUKHERJEE :
Madam, it would be better if we keep our questions and supplementaries confined to Davos. If you want me to explain it further, including the reopening of the textile negotiations, perhaps it will take much longer time. *(Interruptions)*.

SHRI G. G. SWELL : Madam,

THE DEPUTY CHAIRMAN :
I will call you. I have got your name. Let him answer. It has never been done in a Question Hour. I will call you. *(Interruptions)*. Why are you standing ? He is answering. If you are not satisfied, you can draft your question that way.

SHRI PRANAB MUKHERJEE :
So far as the discussion at Davos is concerned, the hon. Member is aware that it was an informal discussion. Every year they pick up some countries. An in-depth discussion in respect of those countries takes place. A large number of people also participate in it. This year, on the 1st February

it was decided that it would be India year. The Prime Minister also attended it. The composition of Davos meeting is not merely Ministers or representatives of Governments. It is a combination of Ministers, representatives of Governments and also industries, academics, universities and media. It is a combination of all sorts of people. Almost 1000 to 1,500 people from different parts of the world present various interests secondly, it is also true that there we discuss about the investment proposals. The main theme was what opportunities were there. In the India session, about 120 important business representatives of various companies from different parts of the world participated. We made our presentation. Thereafter, they put questions and we clarified that these were the possibilities. But there was no discussion on whether somebody was going to make any investment in any area. So far as the total direct investment from abroad is concerned, that figure is already known to the House. I have mentioned it on a number of occasions. It was 4.4 billion US dollars upto December, 1993.

SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE : Madam, he has not answered my question.

THE DEPUTY CHAIRMAN: You have already put your question. (*Interruptions*).

SHRI M. A. BABY: Madam, he has mentioned about various sections but not about middlemen.

SHRI G. G. SWELL: Can I put my supplementary ?

THE DEPUTY CHAIRMAN: Yes.

SHRI G. G. SWELL: Madam, the Minister himself has said that the discussion at Davos was informal. As far as we are concerned, Davos is an ancient history. What is relevant today is the Marrakesh Declaration. I would like to know

this from the hon. Minister. What are the reasons for reopening the textile negotiations with America ? Is that report correct or not ? What is the total volume of handloom production in the country and the value of textiles that are reportedly going to be exported to America without any restrictions ? I would also like to know whether it will compensate or equalise the access of the American textiles to India.

SHRI PRANAB MUKHERJEE: Madam, if you allow this question, then. I have no problem in answering it. But this is a question relating to Davos, the informal gathering of the World Economic Leaders at Davos. But if you want me to mention about what happened at Marrakesh, at the bilateral discussions there then. I have no problem of answering it. It is left to you to admit this question or not.

THE DEPUTY CHAIRMAN: If we allow a discussion on this, the other questions will suffer. So, if it is within the purview of the original question, you may answer. If it is not so, then, I will call the next speaker.

SHRI PRANAB MUKHERJEE: Madam, I have nothing to say about the textile negotiations with the Representatives of the U. S. at Davos because we did not meet them at Davos at all; we met them only at Marrakesh.

DR. BIPLAB DASGUPTA: Madam Deputy Chairperson, I do not understand why this distinction has been made between the formal proceedings at Marrakesh and the informal proceedings at Davos because most of the important decisions in World trade are taken in an informal gathering and then the formalities are completed. So, I do not understand the distinction that has been made. And I thought that when the Government of India signed the Marrakesh Declaration, they would have realised that there would

be economic pressures as well as non-economic pressures. So, there is no point in complaining about the non-economic pressures now because when this Declaration was signed, it was obvious that non-economic pressures would be put on the Indian Government. Now my question is this. I understand from the newspaper reports that came out a few days back that when this meeting was going on at Davos, one of the senior officials of the United States, probably, a Minister, made a statement after having some discussions with the Indian officials that at long last, the Indian Government had come round to its senses...

THE DEPUTY CHAIRMAN:

Are you putting a question or are you making a statement ?

SHRI M. A. BABY: It is his maiden supplementary.

DR. BIPLAB DASGUPTA: It seems that at long last, the Government of India has come round to its senses. This statement means that there was a threat, there was a pressure, there was an intimidation of India and the Government of India has capitulated to them. What I am asking you is: What is the basis of that comment by the American Minister that at long last the Indian Government had come round to its senses? Does it mean that the Indian Government, at the time of discussion had actually conceded a lot of ground to America even after the formal discussions?

SHRI PRANAB MUKHERJEE: Madam, the hon. Member is confused with the discussions at Davos and at Marrakesh and also with what transpired in the GATT and what transpired at the bilateral meetings between me and the U. S. Trade Representative, Michael Carter. Normally, when we meet in an international congregation, apart from doing the main business, sometimes, we have bilateral discussion with many countries; and, in fact, during my stay at Marrakesh, I had bilateral

discussions with the developed and the developing countries, that is, with 25 to 26 countries, in different forms: I invited the Trade Ministers of G-15 for lunch. I also had bilateral discussions with a large number of various other countries. Therefore, it is nothing unusual. So far as that part of the statement which the hon. Member has referred to, that is, the statement attributing to the Trade Representative of the United States of America, I have no knowledge about this because such type of words were never used in any of the discussions that I had with them. As regards what transpired between me and the U. S. Trade Representative, as I mentioned to you, it will take a little longer time. In the longer perspective when the House takes up this discussion after the signing of the GATT and the Marrakesh Declaration, it will be more appropriate at that time to explain all these things.

THE DEPUTY CHAIRMAN

Shri Chimanbhai Mehta (*Interruption*).....

DR. BIPLAB DAS GUPTA: Is he going to concede any more points which are harmful and prejudicial?

SHRI PRANAB MUKHERJEE: There is no question of conceding any more points.

SHRI CHIMANBHAI MEHTA: Madam, in his reply, the hon. Minister has stated that no extraneous considerations like human rights, environment, exploitation of labour etc. should be used as non-tariff measures to interrupt free access to goods and services from the developing countries to the developed countries. Though the Davos meet was very informal—in our country also, we have sometimes held Dharam Sansad in Hardwar which is very informal—it has had an impact. Therefore, I would like to know, when you are referring to Marrakesh, whether we have been benefited on the issue of migration of labour to the developed countries where they have put severe restrictions. It is also reported and my friend has right

spoken on this, that handloom goods would be allowed into USA without quota restrictions and also without any duty restrictions. So, I want to know whether this point will be considered. Can the Minister answer this? I am asking a very specific question. I am not opening a general discussion on GATT. Thank you, Madam.

SHRI PRANAB MUKHERJEE: Madam, so far as my bilateral discussions with the US Trade Representative are concerned, it is true that we discussed the restarting of textile negotiations. The textile negotiations which were going on in Geneva in the month of March were interrupted because of Ester holidays. The US Trade Representative thought that India had called off the negotiations. But it is not so. This discussion came up. In that connection, a reference was made to this. From our side, we suggested that if we have a larger access to the US market so far as handloom exports are concerned, without any restrictions and without any interruptions, we may also consider opening up of certain areas.

श्री प्रमोद महाजन : उपसभापति महोदया, गत दस वर्षों से डाओस में होन वाले विश्व आर्थिक मंच की अनौपचारिक बैठक अपने आप में एक शक्तिशाली मंच का रूप ले रही है। वहाँ पर विश्व के सभी प्रमुख उद्योगपति आते हैं और विभिन्न देशों में अपना पूँजी-निवेश कैसे करें, इस के संबंध में अनौपचारिक विचार-विमर्श करते हैं। ऐसी स्थान पर किसी देश के प्रधान मंत्री को बुलाया जाना अपने आप में एक सम्मन की बात होती है। इस बार हमारे देश के प्रधान मंत्री, और अगर मेरी जानकारी ठीक है तो महाराष्ट्र के मुख्य मंत्री को भी, विशेष रूप से इस बैठक में बुलाया गया था, यह अनौपचारिक मंच होते हुए भी इस मंच की इतनी ताकत है कि अगर प्रधानमंत्री, मुख्यमंत्री और उनके साथ गये मंत्रीगण इसका उपयोग करें तो वह प्रभावी ढंग

से अपने देश की भूमिका लोगों के सामने रख सकते हैं। समाचार पत्रों में जो वर्णन छपा है, उससे यह लगता है कि इस विश्व आर्थिक मंच के सामने हमारे देश के राजनेताओं ने इतना तत्त्वज्ञान का भावण दिया कि विश्व आर्थिक मंच पर वह बिल्कुल प्रभाव नहीं डाल सका, पूरा प्रभाव-शून्य रहा। तो मैं वाणिज्य मंत्री जी की ओर से जानना चाहता हूँ कि विश्व आर्थिक मंच पर प्रधानमंत्री और अन्य मंत्रियों की ओर से जो चर्चा-विमर्श हुई, इसका विश्व आर्थिक मंच पर क्या प्रभाव पड़ा है? क्या इसके बारे में सरकार ने कोई अध्ययन किया है कि डाओस में आपका जाना कितना सार्थक हुआ? इस के संबंध में आप जानकारी दें।

SHRI PRANAB MUKHERJEE: Madam, it is very useful in the sense that the world economic leaders—not only the policy-makers in the Governments but also the academicians, representatives of India, representatives of trade and industry—had an opportunity to exchange their views in an informal manner. This is most important to my mind. Secondly, the businessmen of the world gathered there and had discussions. During the talks, some business transactions were also finalised.

So far as this year is concerned, it was considered that one day would be devoted on which discussions on India would take place. In fact, the Prime Minister was invited to inaugurate the Conference but because the day of inauguration synchronised with our Republic Day--26th January is our Republic Day--and the inauguration was to be on 27th January the Prime Minister could not go for the formal inauguration and it was inaugurated by the German Chancellor Mr. Kohl. But the Prime Minister attended the valedictory session along with the Hungarian President.

So, there is nothing unusual in it, and it is very useful. And I do not agree with the hon. Member that

there was no good impression created. The very attendance of 127 top business people of different countries of the world at the fag end of our India session on the 1st of February itself is an indication that there is a lot of interest and there is a lot of awareness.

SHRI PRAMOD MAHAJAN:
Every year they meet...

SHRI PRANAB MUKHERJEE:
And the investment is also coming. Earlier, in the whole of '80s, the level of investment in India from abroad was a few hundred million US dollars. We were talking of a few hundred millions. And nowadays we are talking in terms of billions, and the total investment, the direct foreign investment up to December, 1993, as I have already indicated, is 4.5 billion US dollars.

THE DEPUTY CHAIRMAN:
Question No. 304.

Indo-German export promotion project

*304. **SHRI JAGDISH PRASAD MATHUR:** Will the Minister of COMMERCE be pleased to state:

(a) whether Government are aware that a German Organisation called Indo-German Export Promotion Project (IGEP) and similar other organisations are pursuing a project in India to compel carpet manufacturers to certify that no child weaver was employed by them, and that minimum wages were paid to the workers and a Swiss firm along with some others is also planning to hold surprise check in this regard; and

(b) if so, what is Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION

AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED):
(a) A proposal for the introduction of voluntary labelling system in respect of carpets to certify production without employment of child labour and payment of minimum wages to carpet weavers was under consideration of the Carpet Export Promotion Council representatives of NGOs and the Indo German Export Promotion Project. The proposed labelling system was purely on a voluntary basis.

However, the Indo-German Export Promotion Project has withdrawn this initiative.

(b) Does not arise.

श्री जगदीश प्रसाद माथुर : महोदया इस सारे प्रश्न को इतनी छोटी सी पृष्ठभूमि में नहीं देखा जा सकता। चाइल्ड लेबर के विषय में अमेरिका के अन्दर एक विशेष लॉ—पटिनेंट लॉ—आने वाला था, जो आने वाला है। तो मैं सरकार से जानना चाहता हूँ कि जब इन्होंने कहा कि वालेट्री था तो वालेट्री का अर्थ क्या है ? क्या जो हमारे कारपेट वीवर्स हैं, उनके आर्गोनाइजेशन ने वालेट्री किया था कि हम ऐसा करना चाहते हैं ? इसकी पृष्ठभूमि क्या है, यह बताने की कृपा करें। इस जबाब से लगता है कि जैसे हमारे वीवर्स ही चाहते थे कि हम यह बादा करेंगे कि हम पैसा दे रहे हैं, जिनको वे चाइल्ड लेबर नहीं हैं। तो वालेट्री का अर्थ क्या है और वाइडर प्रोस्पेक्टिव में देखते हुए जो कि अमेरिका और दूसरे देश चाहते हैं कि चाइल्ड लेबर के नाम पर हमारे एक्सपोर्ट पर टैरिफ बढ़ा दिया जाए, इस पर गवर्नमेंट का कंसेप्शन क्या है, क्यों चाहते हैं ?
Where does the Government stand ?

श्री कमालुद्दीन अहमद : यह बात सबको पता है कि खास तौर पर कारपेट इण्डस्ट्री में चाइल्ड लेबर के उपयोग की बात बहुत बड़े पैमाने पर बहुत