DEMAND FOR A STATEMENT ON I.M.F. MEETING

SHRI YASHWANT SINHA (Bihar) : Sir, I want to raise a very important matter. The World Bank meeting in Washington has just ended and certain very disturbing developments have taken place in this particular meeting of the World Bank and the International Monetary Fund. Our Finance Minister was there but obviously he and other countries have not been able to prevent the developed countries, led by the USA, from introducing a very pernicious principle in the working of the International Monetary Fund and the World Bank, namely, to penalize the countries which are not in a position to repay their loans : They want to suspend these countries. Now, this is a matter of very grave serious repercussions for our economic policy. Now the only point I will make in a brief statement today Sir, is to ask the Government—I do not know when the Finance Minister is coming back—that the moment Mr. Madhu Dandavate comes here, let the Government assure this House that he will come here, to this House, and make a statement on what exactly has transpired in Washington so that this House gets an opportunity to discuss this matter.

DR. NARREDDY THULASI REDDY (Andhra Pradesh) : It is a very serious matter.

SHRI S. JAIPAL (Andhra Pradesh) : Mr. Vice Chairman, I do not know whether the House can turn a Nelson's eye to the total absence of the Members of the Congress (I). Could the Chari throw some light on their absence, Sir? Are there weightly reasons for which they thought it fit to absent themselves from this House?

THE VICE-CHAIRMAN (SHRI M.A. BABY) : No other light is available with the Chair.

श्री प्रमोद महाजन (महाराष्ट्र) : 7 बजे के उपवास से वह इतने थक गये हैं कि 11 बजे तक नहीं आ सकते (व्यवधान)

SHRI V. GOPALSAMY (Tamil Nadu) : We are real warriors. We will raise this issue when they come.

SHRIMATI RENUKA CHOWDHURY (Andhra Pradesh) : Have they notified to the House that they would remain absent? (*Interruptions*)

THE MINISTER OF INFORMATION & BROADCASTING AND PARLIAMENTARY AFFAIRS (SHRI P. UPENDRA) : Many hon. Members raised the question of serious demage caused due to the cyclone yesterday in parts of Andhra Pradesh. The Government of India is in touch with the State Government for collecting all the information. We have assured all support and assistance to the State Government in meeting the situation. The Prime Minister is contemplating to visit the State tomorrow morning.

SHRIMATI RENUKA CHOWDHURY : Sir, have they notified that they would remain absent today? Are things like the cyclone in Andhra Pradesh less important? I just wanted to know if we nave any formal notification that they are absenting today. Andhra has the cyclone, and the Congress gets uprooted here

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CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

Reported U.S. decision to invoke Super 301 clause of their Trade Act against India and action taken by Government in regard thereto

SHRI SUKOMAL SEN (West Bengal) : Sir, I call th

[Shri Sukomal Sen] attention of the Minister of Commerce to the reported U.S. decision to invoke Super 301 clause of their Trade Act, against India and the action taken by Government in regard thereto.

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU) : Sir, we have learnt with deep concern the U.S. Government's decision to continue the identification of India under its Super 301 law during the year 1990.

Last year when the U.S. Government initiated the legal process under its domestic law, than the Minister of Commerce had made a statement decrying the action as an unwarranted encroachment on India's sovereignty which endangered the multilateral trading system, imperilled the multilateral process of the Uruguay Round, and violated the political commitment of "standstil', undertaken at the time the Round was launched. We are in agreement that the appropriate response was to refuse to negotiate under the threat of retaliation.

Now, we learn that the U.S. Government has decided to continue action against India. What the U.S. seeks is that we remove all controls on private sector investment and change our insurance laws to allow access to foreign firms. As Hon'ble Members are aware our policies in these areas are geared to meeting our socio-economic objectives and are designed to address the problems arising out of our economic situation. Unmindful of the socio-economic imperatives that guide policy making in India, the United States wants us to enter into negotiations in order to change our regimes. Failing this it threatens us with punitive measures.

Members would agree that even though India has now been singled out for action by the U.S., we cannot relent on our stand. We cannot enter into bilateral negotiations to change our basic economic policies in areas which are in the domain of sovereign decision making, and that too under threat of retaliation. Since the U.S. Government has not actually imposed any measure affecting India's exports, the matter is not yet ripe for taking recourse to the dispute settlement machinery of GATT. However, we shall continue to work in multilateral fora, as we have been doing in the past, to generate the pressure of international opinion against the manifestly unfair course of action adopted by the U.S. To this end we shall also be conveying our concerns bilaterally to other important trading partners of India.

We have a deep commitment to the multilateral process and we shall continue to strive for the success of the multilateral trade negotiations aimed at the growth of all countries and development of developing countries. We expect that the United States will display a similar commitment.

SHRI SUKOMAL SEN : Invoking the Super 301 clause in regard to trade with India is a serious enchroachment on the sovereignty of India. The hon. Minister has also agreed on this. I am glad he said that India is not going to bow down and that the Government is not going in for bilateral negotiations on this issue, particularly under the threat that has been posed to the country.

Sir, you will note that in the advanced capitalist countries advancement and prosperity is mainly based on the exploitation of the third world countries. They want more and more penetration into the investment areas and the activities of the third world countries. Our country as well as other countries of the world, including the third world countries, have certain conditions

and their own laws for allowing foreign investments in their respective countries. We find that the US Government is not satisfied with their investment in India. They want to penetrate into avenues of investments which are prohibited under the law of this country. With that in view they are raising the bogey of unfair trade practice and want to have action under Super 301 clause.

We have very good trade relations with the United States. Even then they are not satisfied. There are many reasons behind the US motive for taking action under the Super 301 clause. What we understand is that the US economy is in a very serious crisis. Their sizeable budget deficits, depletion in national savings and large current account deficits are cause serious anxiety to the US Administration.

If we make a little analysis of the US economy, we will find that the annual rise in the per capita national income in the US in the 80s was just above one per cent. The Budget deficit and the rising consumption, leading role in capital financing and the current account deficit have led the US to become the world's largest debtor nation. We talk of third world countries' debts, but if you look at the US Government's economic policy and their finance situation, you will find that they have now entered into an alarming situation.

In spite of the fact that the trade relations between India and the US have been growing, the US Government is trying to impose its Super 301 clause. I would only say that the US is not only India's largest trading partner, but is also the largest cooperator in our collaboration agreements for industrialisation of the country. India is also the largest trading partner accounting for almost 19 per cent of India's exports and around 10 per cent of imports. Its share in India's exports increased from 14 per cent in 1970-71 to 19 per cent in 1986-87, whereas its imports declined from 28 per cent to 10 per cent during the same period.

Sir, this is where the U.S. Government is experiencing the pinch because most of the Third World countries have an adverse trade balance against the advanced capitalist countries and by their adverse trade balance they are enriching themselves. But India except for the year 1985-86 is having a favourable trade balance with the U.S. since 1984-85. That is the sore point for U.S. Government for threatening India to take action under Super 301. Sir, the growth of U.S. investment in India, if we see, it is growing steadily. In 1984 it was only Rs. 89.5 million. In 1985 it went up to Rs. 399.5 million and then again rose to Rs. 1971 million in 1988. The total U.S. investment in India over the last decade has been Rs. 2,260 million. Now, Sir, the problem is we have our own law. The normal ceiling for foreign investment under FERA is 40 per cent of the paid up capital of the company but the Government allows higher percentage of foreign equity in some priority industries and that depends upon the Government's choice, technology and other terms. But the U.S Government wants liberation. They want us to liberalise our insurance laws. They want to change our law with regard to the foreign equity share so that the Indian market can be thoroughly exploited by the U.S. Government for their own enrichment. But if India is to build a self-reliant economy and if India is to be a friend of any big communist country, then, we will have to strictly abide by our own laws in regard to the foreign investment, in regard to the equity share. But here the U.S. Government want India to change our laws. Earlier the U.S. Government mentioned India, Brazeil and Japan under Super 301 but now they have singled out India and they are threatening that they will take action against India. I fully agree with the

[Shri Sukomal Sen]

Government of India and the earlier Government also that they did not benddown and the present Government also will never bend down. It is an imperialist pressure on a Third World country like India because Indian people want to have a self-reliant economy. The Indian people want to see that their economy is free from the clutches of the imperialist countries and advanced capitalist countries and that is why the U.S. is sore with India and they want to take action against India. Sir, it is nothing but an imperialist pressure. Yesterday what happened in the IMF meeting. Mr. Yashwant Sinha has stated. Perhaps it is an indication of what the U.S. Government is doing against India because Indian Government is not bending down. They are now trying to manipulate in the IMF and in the World Bank also so that along with India, other Third World countries are also put under pressure. The Minister has said that the time is not yet ripe to take action in the GATT but when the time is ripe the Government of India will definitely take action. But I would only like to know from the hon. Minister what is the reaction of other Third World countries. I want to know what is the reaction of other advanced capitalist countries in regard to U.S. action, in regard to U.S. trade with India. If the U.S. Government is allowed to bully a big country like India, then the U.S. Government can bully any other small and weak country. I would like to know from the hon. Minister whether they are trying to mobilise the opinion of the different Third World countries and other advanced capitalist countries because tomorrow they can also take action against any other country if they do not toe the line of the U.S. Government. So, it is an imperialist attack on Indian Government and I feel that the Government of India will never bow down because people of India will be behind them. I only want to seek some clarifications from the hon Minister about mobilising the opinion of one community about the reaction of the different countries. Are they prepared to stand by our stand or whether there is any vacillation? With this, Sir, I conclude my statement in regard to this issue.

SHRI N. E. BALARAM (Kerala): Mr. Vice-chairman. Sir, on this very important issue, there are two statements before us. The first statement was issued by the Secretary of State of the United States of America. He made the position very clear. I have no doubt about that. Of course, it is a little bit soft alout statement. But we cannot shut our eyes to the statment issued by the Secretary of State of the United States of America in which he made it clear that they are going to implement the so-called '301 Super Clause of the Trade Act" against India. He made it very clear. There is no doubt about it. The second statement came on 27th April, 1990 from Mr. Bush, the President of the United States of America. He made it further clear as to what they mean by this so-called pressure. He made it very clear that they want more access to our market for their own goods and services. They want free access, I would say. He did not use the word 'free' but it is there in that statement. They want free access to our market for their products and for their services.

Secondly, they want to change our policies of capital investment in our own country. They want to change the rules and regulations of the private sector and the industrial sector so that they can have more industries from their own country by investing here. They want to make more money. So actually they want to change the economic policy that is being followed by this Government. That is the sum total of the pressure that is coming. It is not only a simple question. The Government of India—I have my own criticism against the economic policies pursued by the

Government of India, I do not want to hide that fact--but even then, the Government of India is still following an independent economic policy. But the attitude taken by the US Administration is that they want to change that policy. They are trying to put pressure on that policy. They want to have investment here in their own way. In this context, I would like to say one word. Our experience which all of us have about the working of the Pepsicola. We know what has happened. They have violated all the agreements with us. The so-called multinational corporations have violated all the agreements. They are using their own brand name. They have increased the capital structure and they have violated everything under the agreement. So, we know, what is the meaning of their investment policy, what is the policy of investment of the multinational corporations. So, we cannot agree. Of course, we want technology, we want capital. I am not against it. But all these policies and programmes should be decided by this Government and not by somebody from outside. Now they are trying to pressurise the Government of India, trying to intimidate us by saying that we should open our market for them; for their goods and services. We should open the industrial sector for their own investment. I think nobody can agree. This is an attack not only on our trade, not only our economy but it is an attack--I would say--on the sovereignty of this country. We cannot agree to that. That is very important. Whatever may be the result of it we should tell them point blank that we are not going to yield to the pressure--a neocolonial pressure I would call it of the U. S. Government--that should be made very clear.

The strange thing is that they want to liberalise our trade policies. They want us to liberalise our own trade policies. But they want to put more restrictions on our exports. It is very strange. I do not understand the position taken by the USA Government. They do not want a multilateral discussion on these questions in a forum like the GATT. I understand that the antidumping restrictions they are following in America are totally against the understanding arrived at in the GATT meeting. In the name of anti-dumping restrictions what they are doing is, they are restricting the exports. They have got their own packages. We cannot accept such a method. What we want is a multilateral discussion, multilateral decision and the forum for it is GATT. The Government of India was trying its level best to have a discussion on that basis. But I understand that the attitude of the USA is quite contrary and they are not prepared for it. They want to intimidate this country. This is a very strange and serious development. In the light of this development, what Mr. Yashwant Sinha said is very right. Now they are going to penalise all the countries who could not pay back their debts in time. Though they have increased the quota from 50 per cent or something like that, that is only one side of the picture. The other side is, they want to impose restrictions.

Some dangerous developments are taking place and we, the whole country, should beware. I would like to say that the attitude taken by the USA Government should be condemned. I want to condemn it outright. The Government of India should never yield to the pressure. We should not negotiate as long as intimidation is indulged in. We should not negotiate. How can a Government have a discussion with the other Government when they are intimidating? When they are intimidating us saying that they will do this, they will do that, we cannot negotiate. What I am saying is, the only choice left to us is to have discussions which they are not prepared for. They only want to mount pressure on us. There were other countries also who were facing the

[Shri N. L. Balaram]

same difficulties. But unfortunately Brazil has already compromised. And I understand that Japan is also going to compromise. So the situation is very difficult. I do not know how we are going to build up international pressure against this sort of attitude taken by the USA Government. It is very difficult. But even then, our Government should try its level best to mount pressure against this sort of intimidation, this sort of neo-colonialist policies of the USA Government. Otherwise it would become very difficult for Indian economy under the circumstances. Whatever may come, we should be ready to face all the consequences and we should tell them that we are not going to yield to any pressure on this account. That is the only request I have to make with this Government. Thank you.

SHRI YASHWANT SINHA (Bihar) : Mr. Vice-Chairman, Sir, to begin with, I must express my regret at the fact that when this important matter has come up for discussion in this House, some of the movers of the calling-attention motion, who belong to the other side, are absent. It would have been better if we had discussed it in their presence and formulated a view which they also shared.

Having said that Mr. Vice-Chairman, I would like to say that the action of the U. S. Government under Super 301 is something which we should try and see in the overall world context. It will be missing the point if we try to look at it merely from the point of view of Indo-U .S. relations. There are certain developments which have taken place in the world, specially in Eastern Europe, and there is a certain American view of those developments. I was in that country recently, as you know, Mr. Vice-Chairman, and the impression with which I have come back is that the American view of the developments in Eastern Europe is that communism has not only collapsed, but it is also finished for ever, that here was a spectre which has been completely extinguished, which has been banished, never to raise its head again. This is their premise number one. Arising out of this, there is a second premise that it is not merely a collapse of communism the world over, but it is also a triumph for capitalis, that what has happened in Eastern Europe really represents the triumph of capitalism. And the third premise which follows from the first two is that what has happened in Eastern Europe is a triumph of U. S. foreign policy. That is how they are looking at the events which have taken place, very important events, no doubt. But all these three, to my mind, are wrong. One does not follow from the other and certainly, the three together are entirely misconceived.

Now if you look at what the Americans have done by putting us under 301, here is the U. S., the only super power left or a superpower in this world, with not only the collapse of communism but also with the disintegration of the Soviet Union in the process and there is a certain sense of gloating in the U.S. over what I call the triumph of their foreign policy and the triumph of what they consider to be their system of market-oriented economy. And, in this context, they look at India and feel why India is still sticking to some of the policies that we have followed for the last 40-45 years. They are not able to understand this and they are very surprised that despite the fact that communism has collapsed, that intervention by the state in the operation of market forces is a theme which has become discredited, why India is still persisting with its policies which, as I have said, have been evolved over a long time. This the Americans have not been able to understand, and as my friends Mr. Sukomal Sen and Mr. Balaram

were saying just now, the effort on the part of the U.S. not only in putting India under Super 301, the effort on the part of the U. S.A. about a suggestion that they made in the meeting of the Asian Development Bank that took place recently in New Delhi, the attitude which the Americans have brought to bear on the IMF & the World Bank to which I have referred in this House a little while ago, are a reflection of trying to put pressure on India in order to cow us down. And if you again look at not only the East-West relationship, but also the North-South relationship, you will find that they have a feeling that in the South it is only India which is continuing with its, whatever it is called, obstructionist or self-willed policies and that all the other countries are falling in line. The reasons why Brazil has been left off the hook, not Japan, arises precisely out of the fact that Brazil has decided to toe the U.S. line. And the policies which are now being followed by the Brazilian Government are something which even embarrass the American liberals and this is the situation and, therefore, they feel that India now stands alone in the international community and if they put pressure on India, it will be very easy for them to make India buckle, relent and submit to the pressure which they are bringing in every forum. The other point which I would like to mention is—let me be very clear about the American intentions—that it does not relate to merchandise trade and Super 301 is not aimed at the export of goods from India. It is basically to put pressure on our investment and also intellectual property. In regard to Trade—Related Intellectual Property Rights, or TRIPS for short, India has taken a position in Punta del Estate and when our present Prime Minister was the Finance Minister, he had led the Indian delegation there and we had taken a certain stand. Now, this stand, unfortunately—this is what I wanted to put across to my friends here—— was thoroughly diluted in a meeting in Geneva in April 1989, and now the present Government, the present Commerce Minister, will have to carry that burden, will have to carry that cross, and I do not know whether he will be able to offload it. But this is a very difficult situation into which India has been put internationally by the kind of concessions that we made in Geneva in April 1989 in regard to Trade-Related Intellectual Property Rights. This is the crux of the problem.

SHRI N. E. BALARAM : It was a wrong signal.

SHRI YASHWANT SINHA : It was a wrong signal. I do not want to bring in considerations of this party and that party because I consider this to be a national issue where we have to take a national stand. But I was surprised to read in this morning's papers a statement by the former Commerce Minister wherein he has accused the National Front Government of having sent wrong signals to the US Administration as a result of which they have done what they have done. Now, who sent the wrong signals? Mr. Vice-Chairman, Sir, I would like the Commerce Minister who is present here to investigate what signals were sent when this country submitted to American pressure and the American demand to import Californian almonds. I do not know whether the Minister has gone into this. But what signal was sent by the then Government when we agreed to this and, surprisingly, we agreed to reduce duties? Not only did we agree to import a certain quantity, in terms of value, of Californian almonds, but we also agreed to reduce the duty, the import duty, and what is even more surprising is that we bound ourselves under the GATT to the perpetuation of this duty, this reduced duty, and the information to the GATT was not given by a sovereign country like India, but it was given to the GATT by the American

[Shri Yashwant Sinha]

Representative at the GATT to reduce the duty. While this whole thing has come into operation, surprisingly, the Government of India has not yet intimated this development of the reduction in duty, but it has come from the US Representative to the GATT. This is what the previous Government did : not merely did we surrender with regard to the concessions given in Geneva, but with regard to almonds also. And, Sir, I want to make it very clear that they delivered the signals and wrong signals were sent to the US authorities. But they were sent by certain actions of the previous Government and certainly not by the actions of the present Government.

There is another angle to this, Mr. Vice-Chairman, Sir, and that is that though the previous Government rightly took the stand publicly that they would not negotiate under pressure or threat of retaliation and also said that there was no question of going to the US authorities for presenting our case, secretly negotiations were still going on and the officials of the Government of India had gone to Washington and they had made pleas to release India like Brazil and effort was on, when the previous Government was in power, to see that India was not included in the list again and when this matter came up, they would release India like Brazil. Now, I am asking this question because there is a lurking fear and suspician even in the mind of a person like me : While taking a public posture that the Government of India shall not negotiate with the US on this issue, will the present Government also succumb to certain pressures and negotiate not openly, but confidentially and secretly, or that there will be absolutely no dichotomy of approach between the public stance of the Government of India and its private stance which does not become public? I would like a specific assurance from the Commerce Minister that the Government of India will follow a very firm line on this and that there is no question of negotiating with the US under the Super 301 either privately or publicly. That assurance, if the Minister gives to this House, I will be very happy. very satisfied. The US has put us in the dock. It has this domestic law, its national law, where without giving us a chance, without hearing us, it has already said that you are *prima facie* guilty of this, that and other misdemeanours. And what, in fact, it wants us to do is to appear before it as a supplicant and pray that we should be released from the onerous reprisals which might follow. So the US has put us in the dock as an accused party. Therefore, this is not only an affront to our sovereignty, it also strikes at the very root of multilateralism to which we are committed. It is totally against the norms and principles to which even the US is committed under the General Agreement on Trade and Tariffs. Therefore, the point which I would like to make is that not only should the Government of India not negotiate with the US but we must bring international pressure to bear upon the US Government to see that this law is repealed. There is no reason why this law should remain on the statute book of the US affecting its trading partners. I would like to say, suppose tomorrow this Parliament which is a sovereign body were to adopt a law saving that whichever country in the world is putting restrictions on the migration of labour shall be put in the dock by us and whether it is the US or Australia or Canada or any other developed country, we shall say, you come and explain why you have put this restriction on migration and if the world capital market can become one, there is no reason why the world labour market also should not become one. And if the US insists that we must follow policies which are conducive to its investment in this countrv, which are conducive to the operation of its services sector

in this country there is no reason why we cannot mahe a counter claim on the US authorities that they should relax their immigration laws and let the surplus labour from India go to the US and work there. If the world is one, let us have even this. But this, you are sure and I am also sure, the developed countries will never permit. Now this is the whole discriminatory approach which the developed countries today led by the US have adopted internationally, and this is a development which has to be resisted, whether it is in the GATT round which is popularly known as the Uruguay round whether it is the World Bank meetings or International Monetary Fund meetings or whether it is in the Asian Development Bank meetings, whether it is in any international forum, and India must take the lead. And let us not be under the impression, even for a moment, that India is alone. Let India take a stand and I would like to assure the honourable Minister of Commerce that if we take a firm stand, there will not be any dearth of people internationally, of other countries, who will stand by us. They are only worried and in all the discussions that I had when I went to the UN to attend the special meeting, they said if India were to buckle down or if India were to give up, why they should fight the battle. If India takes a stand, I am sure, there are many developing countries which are prepared to stand by us, stand with us, take and on the US onslaught. Therefore, it is of utmost importance that not only should we not negotiate with the US either confidentially or openly under Super 301, but even in regard to trade related intellectual property which we have now agreed to discuss under the GATT negotiations, let us take a line which will bail us out of an extremely difficult situation. It is not a situation which is going to harm us tomorrow or the day after tomorrow, it is a development which will continue to harm India for generations to come. Let me warn this House, through you, and the Commerce Minister that any surrender of intellectual property is going to cause us unimaginable damage and, therefore, India must stand firm on the line which we have taken on this issue. I would like to end my speech, Mr. Vice-Chairman, with just one more comment. I normally do not like to make comments on the conduct of officers, having been one myself. But in this particular case I am constrained to refer to the fact that certain people even today continue in high positions in this Government who are known to have taken a view which, to my mind—I am not mincing words—are contrary to national interest. I am surprised that these people are not only continuing but some of them are even getting extensions. I am really surprised because there have been occasions where some Indian delegations consisting of four or five people have spoken with two different voices, one set of officers talking in one language, giving one message, and another set of officers talking in another language, giving another message. I am bringing it to the notice of the Commerce Minister so that he can take it up with the Prime Minister, if necessary, and see that this approach is totally done away with as soon as possible.

The Home Minister is sitting here, Sir. I would like to make one last point. We have a difficult situation in Jammu and Kashmir specially in the valley, and there is a certain international consideration which affects us. So far the US attitude on Kashmir has not been unfriendly towards India. But I am making this point that let not—we are quite competent to take care of Kashmir not only at home but even internationally —let not this consideration of US support to us on Kashmir detract us from taking a firm stand on any other issue, specially on Super 301....

AN. HON. MEMBER: And Pepsi Cola.

SHRI YASHWANT SINHA: And Pepsi Cola and other matters where U.S. might try to bully us into submission.

So, therefore, I will end my speech by requesting this House and telling the Commerce Minister that India must safeguard its sovereignty, must safeguard the cherished principles which have guided our economic policy. And in today's world when everything around us is collapsing I think it is a great tirubte to the policies India has allowed, specially the economic policies, and if there is a debt problem like in Latin America, if there is the problem of hunger in Africa and there is the collapse of the system in East Europe, I think India today is the most shining, the most glorious, example of the efficaccy of policies which came to us, which were given to us by our freedom fighters, the freedom movement, and those are the policies that we have followed and these are the policies that we must follow, whatever be the pressure, whatever be the lobby and whatever be the threat. (*Interruptions*) Thank you.

Dr. G. VIJAYA MOHAN REDDY (Andhra Pradesh): Mr. Vice-Chairman, Sir, Shri Yashwant Sinha has put all the points very sharply. I want to state that the Indian national movement has been the pioneer of Independence/ movements all over the world against colonialism. Today not only so many countries are independent but they are fighting for their right in all the international forums, whether it may be the Non-aligned meetings or the North-South meetings. And I accept that all these developing countries depend on the stand which India is going to take as a pioneer of independence movement, pioneer of self-reliance, so that the economic problems, the problems of poverty, the problems of hunger, the problems of development in all these developing countries could be solved to the advantage of the people of these countries. That is why the attack has been mainly on India. It is not an attack for the Rs. 90 crore trade deficit which may be there in the trade with America, because their trade deficit with Japan is perhaps the biggest, something like 550 billion dollars, and yet Japan is left out. America is very much upset as we have nationalised our insurance. we might say that we cannot go against this policy. So also about equity. We want control over industries. Maybe, technology can be imported, but the control of Industries must remain with us. So also the Patent Act. So also our choice of imports. We want to substitute and wherever it is possible for us to manufacture indigenously, we do not want to import. Even in Defence we want our country to be self-sufficient. These are the things on which they want to attack. They do not want our country to be self-reliant. They want an open-door policy so that the multinationals can knock the capacities of these countries for development and industralisation. And all the developing countries in their new setup, they think, should be only manufacturers or producers of raw material. This has been the plan of imperialism. That is why the pressure will be more and more aganst us. But at the same time they know the strength of India. They have to relent. I think in the past two days we are coming to know that America is relenting, that it will not name India for 1990, after June 16 India will not be named as being on the hit list. They know, the National Front Government has come out with a clear stand. It is a fact of the time. America cannot face India and all the developing coun-countries in GATT or in any multi-national negotiatoins. Even East Europe, they are all industrialised countries, they are all developed

countries, and their markets are not so free. That is why self-reliance is a common point even for them in East Europe. That is why the imperialist onslaught can be defeated, and will have to be defeated. And we must take a firm stand. I support every contention put forward by the previous speakers. I congratulate the National Front Government for taking a correct stand. As our friend, Mr. Yashwant Sinha, has also pointed out, our name will not be there. Once our name is not there, then the nogotiating table will be there. But that is the danger point. If they go to negotiations where they think they can rely on the Indian vested interests to support their stand, where they can liquefy some of our contentions, I think there is a danger point. Negotiations will be there. That is why I want to caution the Government to see that our position at every one of these discussions is made quite clear. Not only that. We must rally round all the non-developed countries towards this point of view of self-reliance, self-development and progress. And in this particular situation, we request the Commerce Minister to take a very firm stand.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Dr. Nagen Saikia—not here. Shri Solanki.

SHRI GOPALSINH G. SOLANKI (Gujarat): Mr. Vice-Chairman, Sir, after having been slaved for 200 years, India got independence. And after independence, India started achieving progress day by day in the field of politics, in the field of industry, and in the field of social welfare and all. And now it has become a jealous part among the world. Super 301 clause of the US omnibus Trade and Competitiveness Act clearly lays down that before proving or declaring some unfair practice in trade, it must justify the particular boost through the US exports. On the 25th of May, 1989, three nations, Brazil, Japan and India have been placed under unfair trade practice. Brazil and Japan could come out by diplomatic discussions. Could India not do this particular thing through diplomatic efforts? I request that it may please be clarified by the hon. Minister. In addition to this, India is identified under Super 301 with seven other countries. But, so far as India is concerned, it is an abuse to the patent, copy right and trade mark and computer software when the particular Super 301 clause says that they must justify the particular reasons. May I ask the hon. Minister whether it is a fact that a four member Commission came to India between 2nd to 4th May and they went back from Delhi and without extracting any commitment on the dilution of the practice, and thus, came the threat. Further, I would like to mention that in the 'New York Times' the news was published that US is blackmailing the Indian market. Has the Government's attention been drawn to his particular statement? So far as this particular aspect of Super 301 is concerned, it will affect the Indian garment and jewellery market. Mr. Vice-Chairman, Sir, it is very much clear that the US economy is going down and down if we see their budgetary deficits, their current account deficits and their nationals savings so far as the per capita income is concerned. And at that stage, the United States wants to extract something by pressurising. Would India say firmly that this particular practice of US is condemnable? That is all, Sir.

SHRI RAJ MOHAN GANDHI (Uttar Pradesh): Mr. Vice-Chairman Sir, I will just take a minute and a half. To begin with, I would like to join wholeheartedly in the sentiments expressed this morning. There is no question of anyone opposing the idea that India should be absolutely independent. I also

[Shri Raj Mohan Gandhi]

support Shri Yashwant Sinha's plea that the Government should give a categorical assurance that no confidential negotiations on the subject will take place.

I, however, want to make a point, though I do not know whether it will receive hon. Members' support. Anyway, since I believe in it, I will express it. I feel that our independence, national self-respect, is one thing and there cannot be any compromise on that. But I would merely like to state that while we should be very clear about our independence, in case, on an independent examination, we wish—say, in assurance—to have competition in India, real competition, the mere fact that the Americans, in their foolish endeavour to get us to toe their line, also want us to have it, we do not give it up. I think I have made my point clear. If, on an independent consideration, we want competition, we feel that in certain spheres the public sector's role is not as satisfactory as it should be and that the private sector should have a major role, or, that we should have greater competitiveness, the mere fact that the Americans, in their utter foolishness, try to pressurise us should not so confuse us that we become blind to our own independent judgement. This is all I wanted to say, Mr. Vice-Chairman.

SHRI SUKOMAL SEN: It does not arise because, in that case, all industries will have to open their market to the private sector; like banks and other industries.

SHRI KAMAL MORARKA (Rajasthan): Sir, I will not take much time because other Members have already dealt with the main issue in regard to this super 301. But there are two or three aspects to which I would draw the attention of the Commerce Minister.

It is no secret that America believes in cracking the whip and calling the tune throughout the world. They are, financially, the biggest power. They are the biggest trading partner with most of the countries. Most of the underdeveloped countries look to America for loans, for grants, for development. In this whole scenario, India is the only developing country—this is proved by the records—which has been able to meet its debt obligations, which has been able to meet all its contractual obligations, made from time to time. Unlike the Latin American countries. India has never gone back and tried to get the loans written off, or, make undue demands on the I.M.F., or the World Bank. This is according to the World Bank's own study. The credit rating of India is very high.

We had the Brady Plan which was implemented last year. or, rather, which was mooted last year. Incidentally, I must congratulate Prof. Dandavate, although he is not here, on taking a very forthright stand that this kind of doctrine will not work because you are trying to punish those who are disciplined. Ultimately, according to that doctrine, those countries which mismanaged their economy will be left off and those countries which want to have a modicum of discipline in their economy will be punished. This kind of an unjust world order will not work. When it comes to India dealing with other countries, there are two or three aspects which the Commerce Minister should keep in mind. There is absolutely no ground for us to think that without substantial investment coming from America, Indian economic development would come to a standstill. This was the doctrine of the previous Government which we opposed

sitting on that side. Several times I have spoken and I have emphasised this point that we should not look to the Pepsico and other multinationals to bail us out. What is the total quantum of investment that they can make? It will be infinitesimal compared to our country's problems.

SHRI N. E. BALARAM: We should tighten our belts.

SHRI KAMAL MORARKA: Self-reliance, import substitution, etc.—all these ideas have been suddenly forgotten in the last five years. I think, the time has come—my colleague, Shri Yashwant Sinha, has very rightly said—the time has come to reemphasise the old values, the ethos of our freedom struggle and the values laid down by Mahatma Gandhi and Jawaharlal Nehru. I do not want to politicalise the issue, but I must say that in the last five years they have been taking the names of Mahatma Gandhi and Jawaharlal Nehru while they have done exactly the opposite things which Jawaharlal Nehru would never have approved In fact, in one of my speeches I had said 'please do not go on taking the name of Jawharlal Nehru; if Jawaharlal Nehru had been alive, he would be sitting on our side'. There is absolutely no doubt. I must emphasise this to the Commerce Minister. Of course, he understands the legacy as well as anybody else.

Ultimately American policy will be dictated by their own interest. They will mouth slogans of removal of world poverty but finally they will come down to selling their knowhow, giving their money and getting a foothold. Sir, I am sorry to say that our own Government has sanctioned the Pepsi Cola project, but it is the most pernicious project for our country, it does no good excepting that a foreigner has got a foothold in Punjab, which is abhorrent to a person like me, but as it was explained by Industry Minister that we want to honour international contracts and since there was a contract, we have honoured its. . .

SHRI N. E. BALARAM: They are violating the contract openly.

SHRI KAMAL MORARKA: The second best that we could do is to see that there is no deviation from the contract. What I understand is, to attract investment from America they wanted two things. (1) Pepsi Cola project, nothing should happen to it and (2) Union Carbide. In Union Carbide, as you all know, Government of India is not able to endorse what the previous Government has done. If you want to attract U.S. investment, if you have to be called by their tune, we must accept whatever compensation on Bhopal is taking place. We cannot do it. In any case, India as a country, no matter which Government comes, beyond a point will never be able to fulfil the America's wishes. So, it is high time to come back, take things in our control.

One thing I must put on record that in the first session of Parliament after this Government came to power, a person like Shri Shankarrao Chavan, the ex-Finance Minister, quoted one Mr. Hubbard, some ex-American Ambassador to India, as saying that now that Mr. V. P. Singh has come to power America is likely to relax Super-301. By implication he tried to say that this Government is under the U.S. influence. I am very happy to say that though we do not like what the U.S. has done, but it has definitely established one thing that the U.S. does not think that this Government will be under U.S. influence and that perception is very important. I must make it very clear that in the U.S. perception this Government is definitely not under their sphere

[Shri Kamal Morarka]

of influence, they are independent, fiercely independent, and after Mr. Dandavate's participation yesterday any doubt that might have been there has been cleared. For record, I must say that India's sovereignty is not negotiable—political sovereignty, economic sovereignty or sovereignty in international trade matters. The whole country is one, the whole House is one, everybody is one with the Commerce Minister. He should take a tough stand and should not buckle under U.S. pressure. There may be consternation among the Indian business community. If we fight with America, what will happen to our products? But then there is a vast market in the African countries, in West Asia, the WANA countries. They are fully open to us. Maybe, they do not have so much of foreign exchange. Maybe, we will have to negotiate the lines of credit, but there is no harm in that. Let us send our goods on credit. After all, America is giving credit to the whole world and making money out of that. So, let us not fall into this trap. Let us strengthen our own economy and let us look to other market which may need a little more effort. Let the business people develop a new market. Let us not buckle under the U.S. pressure.

About Uruguay round I am sure the Commerce Minister is seized of the matter. We are put in a delicate position but since the under-developed countries are looking to us for leadership we should not let them down.

SHRI SHABBIR AHMAD SALARIA (Jammu and Kashmir) : Sir, there can be no two opinions about the principle enunciated by the hon. Minister in his statement that so far as sovereignty and right of the country to decide its policies are concerned, there cannot be any compromise or any bargaining on that, but so far as the question of economic development and economic policy is concerned, the principle applies to those policies also with equal force. But economics is a field which least tolerates arbitrariness. As pointed out by Mr. Gandhi, we may have an objective look at our policies because we have adopted a mixed economy where we have allowed the private sector as well as the public sector to flourish. This is a new experiment because in the West we had the policy of laissez-faire, let as many competitors come forward, let there be open competition in the matter of economy, in the matter of production, in the matter of distribution etc. And in the Soviet system and in the Republics which are affiliated to them, a different system prevails. No doubt, as Mr. Sinha pointed out, the history has shown that that system has, to a great extent, undergone a big change now and they are also crumbling, that system is failing. Thereby the Americans are much more convinced that the system that they are following is the correct system. But in India we have had the experience of some 50 years and we have learnt to our peril and at a great cost that some industries, though they are run in the public sector, are not bearing fruit but are actually industries which are running at a loss. Now if we have an objective look, as Mr. Gandhi said, of our economy and we find that in certain fields the public sector is not doing as good as the private sector could, or that we should take up some other private sector in those fields and that will be much more beneficial to the country, then the mere fact that the Americans also propounded a certain philosophy should not deter us from adopting that in our national interest. That is my submission.

I would have been very much thankful to the hon. Minister if

he could further elucidate what controls on private sector investments and what changes in our insurance laws to allow access to foreign firms he is envisaging. This is not very clearly stated. The Minister might have been very correct. He knows every thing and he is aware of the facts. But he can make a statement and take the House into confidence. We would have liked to know from the hon. Minister what are the examples, what are the details of these insurance laws and which are the foreign firms and how they are trying to influence our economy. All these are matters which the hon. Minister may think it advisable to tell us. With these submissons, I thank you.

SHRI ARUN KUMAR NEHRU: Sir, I would like to firstly express my appreciation to all the Members who have contributed and given their views on this Calling Attention. It is a very heartening thing that cutting across party lines everyone has expressed the very same sentiments.

Sir, India is a great country. We are a great people. And the question of compromising the sovereignty and self-respect of the people of India does not arise. There is no question of open, closed, clandestine, secret—whatever word you want to use—negotiations. There is no question of any negotiations with the USA as long as there is a threat of retaliation under Super 301. We can respond to reason, but we cannot respond to threats. I would like to make this point very very clear and I think it s extremely humiliating even to think that anyone can consider that the Government of India would even consider having a secret or any such negotiations with any part of the US administration or Government There is just no question of it.

Sir, we have seen in the last two days certain press statements. One of these which have come is that a statement had been earlier issued by the US trade representative saying, we are continuing our identification of India in these trade practices as Super 301 priority this year. But we have now received a clarification from our Embassy in USA that only the 1989 Super 301 action is being continued and there is no fresh identification for 1990. Now, as you know, Sir, in 1989 India was, along with Japan and Brazil, included under 301. Quite frankly, we have excellent relations with the USA—they are our largest trading partners—but we are really not able to understand the rationale as to why Brazil and Japan were dropped and India continues to be in the 301 category. There is no doubt that Japan had negotiations on three extremely important issues like super-computers satellites and, recently, on wood products. Brazil took a stand that they will not negotiate under 301 but they have, at the same time, scrapped their entire import licensing procedure.

If we look at the statistics of US trade, US collaborations with India—I have got the figures for the last 7, 8 years but I think last year's statistics would be relevant—we will find that the US share of all the collaborations is nearly 20.6 per cent; there is an investment of Rs. 621 crores. If we take into account the collaborations with various industrialized countries like West Germany, France, Japan, UK and USA, we will find that the USA figures very very prominently. I can give hundreds of facts and figures here indicating that the US companies in India are doing extremely well. So, why have they taken this action ? This is the first question.

If we talk about the concept of free trade and that India has been restrictive, we can again give adequate examples of how restrictive the US trade itself is. Sir, I have here the details and I can go

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back to 1789 and give various measures which the USA has taken to protect its own industry. In fact, their entire production, their entire industry, has been built behind tariff restrictions. There is also a school of thought that the 301 action is not necessarily to open up free trade but to secure advantages for specific US companies. There are many examples, but I will just give one. A 301 action against South Korea's insurance market did not open up the market for entry by foreign insurance companies but instead granted a larger share of the Korean market to two US companies. Similarly, if we take into account our exports today, the US market is highly restrictive in terms of textiles. If you take the developing countries, one of our largest industries is textiles. If we did not have the current quota system, we could export another seven to eight hundred million dollars more than what we are doing today. But the fact is that there are restrictions. Sir, I am going brevity on these things.

Similarly, Members have mentioned about countervailing measures and anti-dumping duties. Now, many U.S. measures are against the principles of GATT, but the fact is that the United States is doing it. Similarly, they imposed health and sanitary restrictions on our handicrafts and food products. In addition to that, there are nearly 10 to 11 product groups where the USA is entirely restrictive, to protect their own industry. We are not passing judgment on others just as we do not want others to pass judgment on us. But the fact is that at the instance of the USA, many countries have had to undertake export restraint on steel and steel products, on machine tools, on automobiles and road transport equipment, footwear, wheat and rice—the list is quite long. The point I am making is that it is not because of these economic reasons that India is being singled out.

Mr. Yashwant Sinha very correctly mentioned that the real reason is the fact that India has a role to play today in the world. We have always taken up the cause of the developing world—the third world, as we call it—and we can't help feeling that pressure is being put on us bilaterally to affect our position in the multilateral negotiations. Sir, I would like to say a few words in regard to our own industry, to the point which Mr. Gandhi made and also other hon. Members made. The fact today Sir, is that we have got a global economy. We accept that fact. There are changes taking place in the world, in east Europe, in Europe itself as a single entity. But all of us are entitled to our own thinking. The USA is entitled to its thinking. We are entitled to ours which does not necessarily coincide. But the point really here is: where do we go in the next 50 years ? What is going to happen to the developing countries ? What is going to happen to the third world countries ? Everyone looks to India to give a lead, to give a direction, and this we have done for many years. This, as Mr. Sinha correctly stated, is one of the reasons why in today's turmoil the Indian economy is still vibrant, it is still strong. Today, Sir, our exports are going to touch Rs. 28,000 crores, roughly 40 per cent increase over the previous year. Next year we are aiming at a growth, and we hope to do a turn-over, of nearly Rs. 36,000 crores. Our imports have come down marginally. But at the same time we realise that we have to update our industry, we have to improve our infrastructure. In the new import-export policy, taking into account the development needs of the country, taking into account the infrastructure, the socio-economic pattern and all the other variables, we have liberalised also. We have cut down on procedures. We have additional incentives

to the small-scale industries, to the medium industries. We have liberalised on our licensing procedures. But we have done it taking into account the constraints under which we work. We are not in a position to open up our markets. The fact is that we may not have done everything, but this is a continuous process. The fact is that India's exports are doing extremely well, and, I think, we will be able to mairtain this in the future.

Sir, I would like to take the Members into confidence about the recent meeting I attended in Mexico. Twenty-nine Ministers had come, and this was an informal meeting. As I have mentioned earlier, a great deal of pressure is being put on us bilaterally so that our views on certain multilateral issues get affected. I mean, this is really the crux of the problem. This is why I would seek your indulgence, and I would like to go in some detail into the very very important aspects of things like access to markets, safeguards, reinforcements of the GATT rules, thing like TRIMS, TRIPS, Services, because these are really the relevant issues.

Basically in the Uruguay Round our objectives were three: to preserve and strengthen the multilateral trading system; to establish a rule-based world trading system; to obtain recognition of the development dimensions in all areas.

Very briefly, as far as the access to markets is concerned, we stated our position very very clearly. Our main objective was to dismantle the discriminatory trade regime on textiles, and we were not alone in this. We were supported by most of the developing countries. We attach a great deal of importance to proposals for integration of agriculture into the GATT, taking into account, of course, certain aspects of the developing countries.

There was also a general expectation that all participants will make offers for tariff cuts. We also feel that, as our industry is coming of age, it does not need the type of protection that we have been giving it, and we want it to be more competitive.

Similarly, Sir, on the subject of reinforcement of the GATT rules, we wanted the trade-barriers' effect of contervailing and anti-dumping actions to be minimised. We also supported the limiting of the use of subsidies. However, we had indicated that we would like to retain some flexibility for developing countries to neutralise market imperfections and distortions. We wanted to ensure that the future trading system precludes the imposition of discriminatory restrictions. With this in view we are attaching high priority to the negotiations for a comprehensive agreement on safeguards reaffirming the M.F.N. principle.

Coming to the very important issue of TRIM, Trade Related Investment Measures, the industrialised countries during the meeting strongly advocated prohibition of investment measures such as export obligations and domestic content requirements. This suggestion, declared very firmly, was totally unacceptable to us. We use investment measures to harmonise corporate interests with the overall national interests. The two do not necessarily coincide in all cases. The multinationals can think in one way. It does not mean their interests coincide with ours. We started this very clearly. In many cases we want to ensure that investment does not aggravate the balance of payments problems and contributes to real industrialisation. We do not want to propagate the theory of screwdriver operations.

Certain Members have indicated that India has always honoured its international commitments. That is what we are bringing to the

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attention of the developed countries that we have honoured these commitments for the last 40 years. We have never defaulted. We have maintained the economic policies which are prudent and which are conducive to ours. And if you force us to do something for which our economy is not ready, we would also fall into debt trap from which there is no coming out really. It causes enormous problems.

Similarly on the very important aspect of TRIPS—Trade Related Aspects of Intellectual Property Rights—we accept the importance of intellectual property rights to promote innovation and creativity. However, here again these have to be balanced by development and public interest objectives. The norms and standards of patents, in particular, have to be attuned to the stage of development.

Sir, I will explain this in greater detail. I will explain to you what the US wants and what we cannot agree to. Indian Patent Laws currently exclude certain technological fields like nuclear inventions. In respect of food, chemicals and pharmaceuticals patentability in Indian law is limited to process only and it does not extend to products. Grant of patent for these products will preclude any attempts to arrive at the same product by an alternative process. What it really means is if you give a product patent, you may have ten different processes to arrive at the same product; but what the US wants is that we cannot do it. We have the third largest manpower in the world on research and development. If we accept that we will have no research and development. It will be a virtual enslavement of the system.

The US wants a uniform patent term of 20 years. Under the Indian Patents Act, the term is 14 years from the date of filing of complete pecifications in respect of inventions, However, in the case of food and drug patents, the term of patent is seven years from the date of filing complete specifications or five years from the date of sealing. The shortest term for food and drugs has the objective of limiting the period of monopoly profit. The longer you have the patent, the more will be the profit.

Similarly, India's law of compulsory licence has been intended as a deterrent against the possible use of monopoly rights by a patent owner. The oebjective of compulsory licence includes the need to have the patent inventions work in India on a commercial scale. If compulsory licence is restricted only to those restrictions which have been stipulated by the US, we shall not be able to use the patents system to foster industrial development in In-India. You will be totally stumped.

Sir, I do not think on this issue we should be scoring debating points. But Mr. Yashwant Sinha has mentioned about April, 1989 and the fact that the previous Government relented its stand on TRIPS. Sir, I do not want to pass judgment on others but it is a fact that this has happened and that we agreed to discuss substantive matters of norms, standards and intellectual property rights. We do not fall back on the international commitments of what we have said but in the recent meeting also in Mexico, we stated that though we had agreed to this in April, 1989, we still have serious apprehensions of what this can mean to the developing world and the Third World countries, Sir, we had made it clear that we have reservations on the lodgement of the outcome of the negotiations in this area in GATT. Sir, the substantive matters relating to intellectual property rights have a tenuous relationship with trade in goods and GATT. This point we have very clearly brought out. Similarly, Sir, in regard to trade in services, we have been given on long lectures, in regard to

liberalisation of bank and insurance services. But we have asked, "if this is so, why don't you also go in for liberalisation of labour and labour-intensive services ?" and there is no response to that.

Sir, the point really is that there is a difficult situation. Global economies are changing, major shifts are taking place. We feel that India has the skill, the capability to compete with the best in the world. We have an open mind. We are willing to discuss all issues in multilateral forums. After all, this is what multilateral forums are meant for.

And in the Uruguay Round, if you see, there are very, very serious and sharp differences between the developed countries and the developing countries but everything is discussed in international forums. But you cannot have a situation where a country because of its economic might, for whatever reasons, tries to push you, intimidate you—many words have been used—tries to police you into a situation. I am afraid, India is not going to be intimidated, is not going to be policed. We have very clear-cut socio-economic objectives. The path which we have followed for the last 40 years, we have had a great degree of success. We may not have achieved everything but we feel that we are going in the right direction and I would like to assure the House and all the Members who are present here that India will not compromise on either sovereignty or self-respect in any way.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Now, the House stands adjourned till 2·45 P.M.

The House then adjourned for lunch at fifty-four minutes past one of the clock.

The House reassembled after lunch at forty-eight minutes past two of the clock, The Deputy Chairman in the Chair.

SPECIAL MENTIONS

Armed attack on peaceful satyagrahis in Tripura

SHRI NARAYAN KAR (Tripura): Madam Deputy Chairman, I thank you for giving me this opportunity. I would like to draw the attention of the House about the large scale armed attack on the peaceful satyagrahis on 4th of May 1990 in the State of Tripura. "The Jail Bharo Movement" was an unprecedented success. No less than 1,45,000 satyagrahis courted arrest. The alliance Government was very much on the defensive. They used hired goondas and a section of police in mercilessly resisting this popular upsurge. No less than 500 satyagrahis were hospitalised. The police resorted to firing in a number of places. In Teliamura of West Tripura, two people died of bullet injuries and several others including women got hospitalised with bullet injuries and other injuries due to armed attack from the Congress(I) rowdies. One more body riddled with bullets was found which appeared to be the work of hoodlums. The demand of the people of Tripura is the resignation of the alliance Government which is responsible for ending the democratic rights of the people of the State. In these 26th months of their rule, no less than 112 CPI(M) leaders and supporters were murdered. The police did not arrest a single culprit. More than 200 women were raped. The police did not take any cognizance. Democratic functioning of Opposition political parties was paralysed. Party offices and trade-union offices were forcefully occupied, burnt down and workers were tortured in police lock-up which is a regular feature. There is no rule of law. There is only the law of the jungle. Charges of rampant corruption were raised against the Ministers including the Chief