

[Mr. Deputy Chairman]

precious metal; and (b) articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal falling under CTH 7113 or 7114 from 10% to 15% by amending the statutory rate".

The motion was adopted.

The appropriation (Railways) No. 4 Bill, 2013

THE MINISTER OF RAILWAYS (SHRI MALLIKARJUN KHARGE) : Sir, I move:

That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2013-14 for the purposes of Railways, as passed by Lok Sabha, be taken into consideration.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN : We shall now take up clause-by-clause consideration of the Bill.

Clauses 2, 3 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI MALLIKARJUN KHARGE : Sir, I beg to move:

That the Bill be returned.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN : Now clarifications on the statement by the Minister of Commerce and Industry.

CLARIFICATION ON THE STATEMENT BY MINISTER

Outcome of the Ninth Ministerial Conference of WTO at Bali in Indonesia

THE LEADER OF THE OPPOSITION (SHRI ARUN JAITLEY) : Mr. Deputy Chairman, Sir, I am quite conscious of the fact that a large number of our colleagues seem to have gone back; and I will try to be as brief as possible. But there are some important issues, so, it may take a little time.

Sir, the hon. Minister has made a statement yesterday on the Ninth Ministerial Conference of the WTO at Bali. Before I come to the specific clarifications and queries, I wish to make just a brief point on the manner in which the old adverse agenda of the WTO against developing countries seems to have come back. I say this because Indian agriculture is in a precarious state. You have over 60 per cent of the people dependent on agriculture for their livelihood. Agriculture contributes only about 15 per cent to the national GDP. Therefore, compared to the services sector and the manufacturing sector, our agricultural sector is highly vulnerable. Therefore, the national concern for agriculture is legitimate.

As far as the global distortions and agricultural trade are concerned, these global distortions have never been because of any lack of or denial of market access by the developing countries. These have essentially been on account of subversion of global agricultural trade; and on account of high subsidies by the developed countries, particularly the United States of America and the European Union. The figure which is mentioned globally is over \$400 billion of subsidies, if you cut across all the green boxes, the blue boxes and amber boxes subsidies are concerned.

Having said this, one more comment as an introduction and then I will put queries, on the basis of the draft Agreement dated 6th December, 2013. The original Agreement on agriculture which was entered into in 1994 itself is loaded against the developing countries. It is loaded against the developing countries because the maximum support the developing countries are allowed in order to support their farmers is a ten per cent De Minimis; and this ten per cent De Minimis is based on 1986-88 prices. Now between the cost of food grains in 1986-88 and 2013, I do not know whether the increase has been 700 per cent or 800 per cent. But it is bound to be in several hundred per cents when you calculate ten per cent, that calculation of 10 per cent ignores substantially this inflation of food grains. Therefore, it is calculated at the prices of 1986-88. On account of this, we have now to look at what the Draft Agreement at Bali is. I will now straightaway come to my objections as far as Bali is concerned. Sir, my first objection to the Draft Agreement at Bali is, and my clarification will arise out of that, even though it is an interim measure, it does not indicate what the permanent solution is going to be, and whether it is going to be different from what the interim decision itself is. What is the substance of what has

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happened at Bali? Let us take the Indian context. In the Indian context, our agricultural produce is supported by the Minimum Support Price. When it is supported by MSP, which is through various Governmental agencies – it is a Government support price – a large part of this is purchased by FCI and other Government agencies and it is going to be used for our food security programmes. Now we have the Food Security Act also. The Bali Ministerial is not concerned with our food security programme, it is concerned with the support that we give to our farmers in as much as the Government agencies are going to buy from him at support prices. Therefore, the crux of the Agreement at Bali is, and that is the direction of the Agreement, you are purchasing it by supporting your farmers and thereby the support that you give to your farmers subverts global trade. That is to say, in developed countries like the USA, the European Union and other countries which give support and which have, therefore, much cheaper foodgrain, the effect of subsidy is that the farmer can actually sell below his cost price in subsidized nations because his profits are being subsidized by the subsidy which the treasury of those countries gives him. So, once that crosses the Indian borders and enters the Indian State, that is going to be cheaper. So the eventual agenda today which is back at Bali is, don't subsidise your farmer by the support price system. That is the eventual direction where the Agreement is going to take us because this will subvert global trade, and the subversion of global trade is that foodgrain products from other countries are not going to enter the Indian territory. That is going to be eventually the direction of a permanent solution, and I hope that permanent solution never comes about. Now the effect of this is going to be, if any such permanent solution comes about, it can have the effect of completely paralyzing the support that we give to our farmers, and most of them are subsistence farmers, middle-level farmers. If we don't give them the support then already the agricultural sector being in a precarious situation will become further vulnerable leading to larger suicides and the collapse of the agricultural sector itself. Now what is the interim mechanism which we have entered into? I urge the hon. Minister to kindly take the document itself. The interim mechanism that we have entered is, – this is the Tenth Ministerial and, therefore, we are going to wait for two more Ministerials ; a Ministerial is normally held every two years if I understand correctly – in four years, we will eventually have a permanent solution or try to have a permanent solution. Till then

this interim solution is going to continue. The interim solution is, whichever countries are today giving support, which is more than ten per cent *de minimis* based on 1986-88 prices, that will not be challenged for the time being, before the dispute redressal mechanism of the WTO. That is what is being referred to as the peace clause. What is our position today? Under our food security programme, we are spending approximately Rs. 1,25,000 crores in terms of food security. Additionally, we have subsidy on fertilizer. States are giving subsidy on transport.

States are giving subsidy on power. Now all these subsidies taken together will eventually have to be ten per cent of what the 1986-88 pricing was. If they cross that ten per cent threshold, then, it will be liable for challenge. But for the next years, the peace clause says that it will not be challenged. Now what is the language of that peace clause, that is, clause 2? I have some difficulty and I feel—I hope that I am wrong — that we have been outsmarted in the drafting of the Agreement itself. Clause 2 says, “...in relation to the support provided for traditional staple food crops in pursuance of public stock holding programme for food security purposes existing as on the date of the decision.” Now my problem arises with this language, ‘the food security programmes existing as on the date of the decision’. So the peace clause protects only such support to food security programmes which were existing as on the 6th of December, 2013. Under the Food Security Act, the roll out has not yet begun. If the roll out of the Food Security Act has not begun, is the Food Security Act, which both the Houses of Parliament have legislated, outside the protection of the peace clause? *Prima facie* the decision, whether it is inside the protection of the peace clause or it is outside the protection of the peace clause, is not an issue which can be decided between the Government and me. The language, when it says, ‘existing as on the date’, it refers to the existing food security programme, that we have legislated, that over the next few years, we intend to give more security, is not a food security programme which is existing as on the date of the decision. The language could have been ‘for which States have legislatively committed themselves’. That is not the language. The language is ‘food security programmes existing as on date’. And if this dispute goes to some Tribunal for adjudication internationally, our entire food security programme is going to be at the mercy of those people. So, my first clarification which I would like to seek from the hon. Minister is this. What is the meaning of this word, ‘existing as on the date of the decision’? Is it going to cover the entire Food Security Act programme because

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that has still not been rotted out? *Prima facie* there is a scope that you have left in taking an interpretation that the Act itself may be out of the scope of the peace clause.

Now, if you come to clause 3, clause 3 itself now provides for a detailed inspection. I won't read this entire inspection in order to save time. But we have to give various details. They can ask for details. Then there are details which we have to regularly give which, effectively, means that all our food security programmes are now open to international inspection. Is that a correct understanding?

Now comes my most important objection as far as the Bali Document is concerned and I don't think that it leaves any scope for ambiguity. Please turn to clause 4. The peace clause declares peace as far as challenging before the Dispute Redressal Mechanism of the WTO is concerned, that if there is a violation of ten per cent *de minimis*, it cannot be challenged before the Dispute Redressal Mechanism of the WTO. That is the peace clause, I conceive. The peace clause does not cover countervailing duties. The peace clause does not cover anti-circumvention duties. The peace clause does not cover safeguards. Now clause 4 makes it very clear, and I am reading clause 4. "Any developing member seeking coverage of programmes under paragraph 2 shall ensure that stocks procured under such programmes do not distort trade or adversely affect food security of other members."

Now this is a part of not the peace clause, this is a part of anti-circumvention and anti-safeguard, which is an entirely different area other than the peace clause. Kindly see the way this is drafted. This means, the first objection I have and I seek the Minister's clarification, ordinarily when countervailing or anti-circumvention duties are imposed, the member nation imposing those duties has to show that there is a violation which has taken place on account of which he is imposing these duties. Here you have shifted the onus and the very first three words indicate that any developing member is seeking coverage of the programme under para 2, so, instead of any developing member, let us use the word 'India'. India is seeking coverage of its food security programme under para 2. So India has to ensure that its programme does not distort trade and does not adversely affect the food security programme of other countries. So the onus of ensuring that there is no distortion

and the food security programme of some other country is not affected is on India. If I can't ensure that, on all my other exports – whether it is manufactured goods or it is any other exports – we are liable for anti-circumvention duty or any other form of countervailing duty, which means the entire gamut of other exports are going to be adversely affected if these duties are imposed. How is it that it will be alleged that such programmes can distort trade? As I indicated, Rs. 1,25,000 crores in the Food Security Act is for fertilizer subsidy, transport subsidy, power subsidy. Prima facie in the very first instance this is going to cross the ten per cent subsidy and if it crosses the ten per cent subsidy, tomorrow any developed country is coming up and saying, 'well, my goods can't enter your market because of your own food security programme.' So the scope for challenging and imposing anti-circumvention duties under clause 4 is independent of the peace clause. It always will remain. Similarly, another country can say, 'you are procuring everything from your farmer. There is nothing left to be exported to my country.' So on both counts, other nations are entitled under clause 4. If we violate this, they will impose any form of anti-circumvention and safeguards against us. Sir, if we look at the net effect, since the Minister was in a celebratory mood in Bali, you will notice what exactly has happened in Bali. In Bali, instead of putting a permanent ban on this and imposing a ten per cent limit, they adjourned the whole matter for further decision for four years. In the meanwhile, India has had to pay a cost. The cost which we have to pay is (a) we have opened, it is opened only for existing programmes and not for future programmes, (b) we have opened ourselves for international inspection (c) we have opened ourselves for anti-circumvention and anti-countervailing duties and (d) we have conceded as far as trade facilitation is concerned. I have no personal difficulty with trade facilitation. It will domestically help us. But please remember and please confirm whether this is correct that trade facilitation is a part of the single undertaking and, therefore, trade facilitation had to come when you had market access issues resolved, when you had issues of subsidy reduction which are involved, which had to be resolved. In any case, please don't forget, trade facilitation was added as a WTO issue at the behest of the European Union in 1996 and then in 2003 it was given up. We have now agreed, as a cost, to bring it back on the agenda. What have we got in return? WTO is a marketing forum, is a bazaar where you charge for everything that you give and you pay for everything that you get.

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We have, today, conceded trade facilitation. What have we got in return? All that we have got is: All this will be decided after four years. In the meanwhile, all these constraints have been put on us. And, the biggest cost of Bali – the hon. Minister will realize this – is that the whole issue of subsidy reduction is gone and the whole issue of global trade being subverted by them is gone. Instead, the pressure is back on the developing countries as to why you must not, now, limit your food security programme in countries where 400 million people are living below the poverty line.

Therefore, the hon. Minister may kindly clarify each of these issues that I have raised.

SHRI SITARAM YECHURY (West Bengal) : Sir, the hon. Leader of the Opposition has asked – rather – a detailed explanation on various issues. So, I would not repeat them. But, Sir, in a nutshell, I just want to say that the backdrop in which we are discussing this is clearly to be understood *i.e.*, crisis in Indian agriculture and the agrarian distress that we are currently facing which is leading to unabated continuance of distress suicides by our farmers. So, therefore, this acquires certain importance which is enlarged more than what it is in normal circumstances. Hence, therefore, I have six clarifications to seek from the hon. Minister.

The first one is, trade facilitation was not an issue or part of the original Doha Development Agenda. In this Doha Round, which is an on-going process, how did India agree to trade facilitation without any forward movement on any issues mentioned in the Doha Development Agenda and how the Government gave a legally binding agreement *i.e.*, trade facilitation to get a temporary solution on food security? I don't want to elaborate the 'temporary nature' as the hon. Leader of the Opposition has already mentioned about it. It is temporary in nature and is universally accepted. Now, my first query is: Have you given a legally binding agreement in order to get a temporary solution?

Secondly, Sir, trade facilitation was developed countries' agenda and it benefits the developed countries rather than the developing countries. All of us know that. The hon. Minister himself agrees to it. Did the Government conduct any study to assess the benefit for India from such Trade Facilitation Agreement? If it was done, why is it not made public?

Thirdly, according to the hon. Minister, many aspects of Trade Facilitation Agreement are already being implemented by India as autonomous policy measures. So, therefore, there was no danger in agreeing to this Trade Facilitation Agreement. Sir, there is a clear difference between autonomous policy measures and a legally binding agreement, because autonomous policy measures are our autonomy. We can withdraw them, we can change them whenever we want or we can amend them. But, the moment it is a legally binding international agreement, we are bound by it. So, through this Agreement, India has, legally, locked our policy measures and submitted ourselves to the WTO's disputes settlement mechanism. That is how I read it. In other words, if we ourselves are implementing these measures, why do we need a legally binding agreement which will bind us in future and open to disputes mechanism?

Fourthly, how is the Government going to implement this Trade Facilitation Agreement? What is the cost of its implementation? If you are going to meet this implementation cost through flow of foreign funds, then you are opening up to FDI and your entire services sector. As the hon. Leader of the Opposition said, today, agriculture contributes less than 20 per cent or, maybe, 15 per cent of our GDP, your services is about 60 per cent. So, if you want foreign funding, it has to come nowhere else but services in which case we are just making our economy much more vulnerable.

Fifthly, it appears, in order to gain this interim mechanism, which will operate till a final mechanism is found, we have conceded our position on many issues. We have heard that final mechanism may be four years down the line. That is, in order to achieve this interim mechanism, we have conceded our position on many of the other issues in our urge to get this interim mechanism to save our existing Food Security Act.

My point of clarification is this: We have passed the Food Security Act. I am not happy, and I want to expand it further. Now, according to your agreement in Bali, my reading is, you cannot expand it any further. Therefore, you are already constrained by the existing law.

My next question follows from this. From our understanding of the entire Bali mechanism, and how the advanced countries are subsidizing their agriculture, no

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country will be allowed any measure that will affect market mechanism. A minimum support price affects the market mechanism. Subsidizing food and fixing the sale price of food for consumers is a market mechanism. In other words, it means that if you want to resort to non-market mechanisms, the only other option is direct cash transfer. So, is this the mechanism or excuse through which the direct cash benefit scheme is going to be brought in, saying that we are internationally bound by this agreement and, therefore, we have no option but to bring in the direct cash benefit scheme? Now, we all know the pitfalls of direct cash transfers. Therefore, are we today suggesting to do something like what the Western countries do? They do not distort the market mechanism but they directly transfer cash to their peasants and subsidize them. It is not workable in our country, in which case the protection of our farmers won't be there, the food security promise to the Indian people will not be there. That is the danger. I want the hon. Minister to clarify these points. We were there together on another very solemn occasion in South Africa where many African Ministers came and congratulated him saying that he has done a good job at Bali. I was a little perplexed whether I should congratulate him or not, but I decided to use this opportunity and, therefore, ask him all these questions. Therefore, I want him to clarify these point.

MR. DEPUTY CHAIRMAN : You can congratulate him.

SHRI SITARAM YECHURY : I would like him to clarify on these six points that I have raised.

MR. DEPUTY CHAIRMAN : Shri N. K. Singh.

SHRI N.K. SINGH (Bihar) : Sir, I recognize that the WTO dynamics of negotiation, like all negotiations, must be conducted in a spirit in which there is, obviously, the dynamics of negotiation. But what we have to really assess is that in the negotiating dynamics the advantage is tipped in our favour for the reasons which I share, which the Leader of the Opposition has raised—that it does not look that in the fulcrum of trying to evaluate the gains from Bali, the balance is tipped in our favour. So, how would the Minister want to assuage us that we have turned out to be, broadly speaking, net gainers as an outcome of the Bali agreement?

Coming to my next question, I draw the attention of the Minister to paragraph 2 of his statement which he made yesterday, and I will read only one sentence from

that paragraph. In that paragraph, the Minister has said, “Accordingly, after deliberations among members in 2012, it was agreed that members would strive for an agreement on trade facilitation, a few areas in agriculture, development issues and issues of relevance to the Least Developed Countries”. Now, could you really tell us on development issues the progress that you have achieved? I can understand the progress you have achieved perhaps on trade facilitation, namely that we have given in. But, on the development issues, which were the centrality of the things, and this was supposed to be a development round, what is the incremental progress which we have made on any of the more difficult development issues which will facilitate us?

My third important issue is that I share the view of the Leader of the Opposition on any anti-circumvention and safeguards, particularly, in relation to the impact of Clause 4 which he has read out and, so, I need not read the Clause again. But continuing in the same spirit, Sir, my next question to the Minister is: What is the implication of Clause 6 of that Agreement? Clause 6 of the Agreement makes it binding upon India to hold consultations with other members whenever requested about the operation of the public stockholding programme.

As a result, therefore, has India taken the binding commitment for international scrutiny arising not only out of the various other concerns but from directly also arising out of Clause 6 of that agreement?

Similarly, Sir, there are other clauses in which we have lent ourselves to open-ended unbridled powers on other WTO members to scrutinize us, to answer questions, to downsize our food security programme to conform to what they believe would be acceptable.

My next question to the Minister is: What are the factors which really didn't enable us to make any progress whatsoever on freezing the baseline figures to 1986-88 figures which are completely misaligned with prices which are prevalent in 2013? Would you share with us the process that went through and why we utterly failed to make any progress on moving the baseline to 1986-88?

My fifth question on trade facilitation is this: Who gains from the trade facilitation? I recognize that in give-and-take, you need to take on some commitment also. But, if you look at one broad picture on trade facilitation, India's trade as a

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global trade is 1.6 per cent. Eighty per cent of the global trade benefits really the more developed countries. So, the trade facilitation measure on which we desperately feel, and looking at our miniscule position, clearly, the advantage is tipped in favour of the developed countries, to whom the bulk of the benefit goes.

I have two other questions and I will finish very quickly. Would the Minister enlighten us whether any progress has been made on the difficult issue of a large amount of subsidy of the developed countries to their agriculture? Sir, the volume of that subsidy and the value of that subsidy is one billion dollars a day! Have we made any progress whatsoever in relation to persuading the developed countries in knocking out those? Indeed, Sir, they continue to gain from the Amber Box which really entitles them to subsidies to produce more, from the Blue Box which entitles them that their subsidies give incentives to limit production, and, what is worse, the Green Box, namely, in the name of environment, a livestock production enables them to give further subsidies.

Sir, would the Minister share with us any progress in relation to equity sharing contracts and in relation to least developed matters? Finally, would you share with us the attitude of the developed countries, particularly some important developing countries like China, in the conduct of these Bali Negotiations?

MR. DEPUTY CHAIRMAN : Now, Shri Ashok Ganguly... (*Interruptions*)...

SHRI DEREK O' BRIEN (West Bengal) : Sir, what is this Supplementary List of Business? ...(*Interruptions*)...

श्री नरेश अग्रवाल (उत्तर प्रदेश) : डिप्टी चेयरमैन साहब, यह बिल्कुल नहीं हो सकता।
...(व्यवधान) यह अनकांस्टीट्यूशनल है। ...(व्यवधान) नहीं, सर, यह नहीं हो सकता। ...(व्यवधान)

SHRI DEREK O BRIEN : Sir, what is this Supplementary List of Business? ...(*Interruptions*)...

MR. DEPUTY CHAIRMAN : It is only for introduction... (*Interruptions*)...
Why do you worry, it is only for introduction. ...(*Interruptions*)...

SHRI BIRENDRA PRASAD BAISHYA (Bihar) : Sir, ...(*Interruptions*)...

MR. DEPUTY CHAIRMAN: Please go to your seats. ...(*Interruptions*)...
Without the consent of the House, we can't take up anything. Go to your seats.

...(Interruptions)... We will decide it. ...(Interruptions)... Go to your seats. We will sort it out. Don't worry. The House is supreme. ...(Interruptions)... The House is supreme. आप बैठिए। ...(व्यवधान)...

श्री नरेश अग्रवाल : उपसभापति जी, यह तरीका ठीक नहीं है। ...(व्यवधान)... सुबह की बैठक में या तो पहले इसको एजेंडा में रखते ...(व्यवधान)...

MR. DEPUTY CHAIRMAN : You go to your seats. ...(Interruptions)... If the House does not want, why do you worry? ...(Interruptions)... See, there is no need of making this problem. Only if the House wants, we will take it up. You see, any issue... ...(Interruptions)...

DR. V. MAITREYAN (Tamil Nadu) : Sir, we do not want any introduction in the din. ...(Interruptions)...

MR. DEPUTY CHAIRMAN : All of you are talking together. ...(Interruptions)...

श्री नरेश अग्रवाल : यह सप्लीमेंटरी एजेंडा बीच-बीच में पेश करना कतई उचित नहीं है। या तो इसे कार्य मंत्रणा के समय तय करते या सुबह तय करते ...(व्यवधान)... ये जब चाहें तो करा लें, यह कैसे मान लिया जाएगा? ...(व्यवधान)...

SHRI BIRENDRA PRASAD BAISHYA : Sir, one minute.

MR. DEPUTY CHAIRMAN : No; after I speak. ...(Interruptions)... Okay. ...(Interruptions)...

SHRI BIRENDRA PRASAD BAISHYA : Sir, this morning, in the Chairman's Chamber, we have discussed and you said that there would not be any Supplementary Business. ...(Interruptions)... At the last minute, how can the Government bring it? ...(Interruptions)... We strongly oppose it, Sir. ...(Interruptions)... No, Sir. We will not consider it. ...(Interruptions)...

SHRI DEREK O'BRIEN : Sir, you give us an assurance that it will not be passed in the din. ...(Interruptions)...

MR. DEPUTY CHAIRMAN : Yes. ...(Interruptions)... You go there. ...(Interruptions)... Please take your seats. ...(Interruptions)..., Please take your seats. ...(Interruptions)... See, circulating a Supplementary Business only means the intention of the Government. If the House does not approve, we cannot pass anything. ...(Interruptions)... Listen, listen. ...(Interruptions)...

श्री नरेश अग्रवाल : सर, आप वोटिंग करा लीजिए। ...*(व्यवधान)*...

MR. DEPUTY CHAIRMAN : Let me complete. ...*(Interruptions)*.. See, it is only the intention of the Government. ...*(Interruptions)*...

श्री नरेश अग्रवाल : ऐसा बिलकुल नहीं चलेगा। ...*(व्यवधान)*...

SHRI BIRENDRA PRASAD BAISHYA : No, no. ...*(Interruptions)*...

SHRI DEREK O'BRIEN : Sir, the hon. Minister is here. You ask him to withdraw it. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN : Allow me. You are my friend. ...*(Interruptions)*... You are my friend. See, let me complete. ...*(Interruptions)*... I am not saying that I am going to... ...*(Interruptions)*... Let me complete. Please listen to me. ...*(Interruptions)*... Let me complete what I am saying. ...*(Interruptions)*...

SHRI SUKHENDU SEKHAR ROY (West Bengal) : Absolutely bad intention of the Government. ...*(Interruptions)*...

SHRI NARESH AGRAWAL : Do not dilute it. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: My suggestion is, we are discussing an important topic. Let us finish it. After that, I will take the sense of the House and then only proceed. Do not worry. ...*(Interruptions)*...

SHRI SUKHENDU SEKHAR ROY : Now you take the sense of the House. ...*(Interruptions)*...

SHRI DEREK O'BRIEN : Why not now, Sir? ...*(Interruptions)*...

श्री नरेश अग्रवाल : सर, इसको रिजेक्ट कीजिए। ...*(व्यवधान)*... सरकार इसको वापस ले। ...*(व्यवधान)*...

MR. DEPUTY CHAIRMAN : I told you that I will take the sense of the House and then only proceed. ...*(Interruptions)*...

SHRI DEREK O'BRIEN : Sir, this is a Constitutional Amendment. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN : Mr. Derek, I have already assured you... ...*(Interruptions)*... If you have heard that discussion which was going on here... ...*(Interruptions)*...

SHRI SUKHENDU SEKHAR ROY : Right now, you take the sense of the House. ... *(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please listen. ...*(Interruptions)*... I am ready to listen to you, why don't you listen to me also? ...*(Interruptions)*... I am ready to listen to you, why don't you listen to me also? I am saying that because we are discussing a very important subject concerning the interests of the nation. You heard the discussion here. ...*(Interruptions)*...

SHRI SUKHENDU SEKHAR ROY : You are donating land to Bangladesh. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN : My God, I am fed up. ...*(Interruptions)*... Let me complete. I am not saying that I am not going to take it up. I never said so. ...*(Interruptions)*...

SHRI SUKHENDU SEKHAR ROY : They are compromising with the sovereignty of the nation. ...*(Interruptions)*... They are compromising with the sovereignty and integrity of the nation. ...*(Interruptions)*... This Government is compromising with the sovereignty of the nation. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN : I never said so. ...*(Interruptions)*... Why don't you allow me to complete? ...*(Interruptions)*... I will tell you... ...*(Interruptions)*... ...*(Interruptions)*...

SHRI SUKHENDU SEKHAR ROY : This Government is compromising with the territorial integrity of the country. We cannot allow that. ...*(Interruptions)*.... You must take the sense of the House. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN : Mr. Roy, you allow me to complete.*(Interruptions)*...

SHRI SUKHENDU SEKHAR ROY : You must take the sense of the House. ...*(Interruptions)*...

श्री उपसभापति : आप लोग बैठिए। ...*(व्यवधान)*... I will solve it. Mr. Javadekar. ...*(Interruptions)*...

श्री प्रकाश जावडेकर (महाराष्ट्र) : सर, ...*(व्यवधान)*... सुबह की मीटिंग में ऐसा कुछ नहीं बताया गया था ...*(व्यवधान)*...

MR. DEPUTY CHAIRMAN : I agree. Let me say this. I am saying that simply because a supplementary item is given, it does not mean that. We may or we may not take it. We Will decide it. I will put the issue... *...(Interruptions)...*

SHRI SUKHENDU SEKHAR ROY : Decide now. *...(Interruptions)...*

MR. DEPUTY CHAIRMAN : But let this important subject be over. *...(Interruptions)...*

SHRI SUKHENDU SEKHAR ROY : Why has it been circulated in the midst of the discussion? *...(Interruptions)...*

MR. DEPUTY CHAIRMAN : See, the hon. Leader of the Opposition, Shri Yechury and Shri N.K. Singh have raised very important points. Don't you want answer for that? *...(Interruptions)...* The Minister is ready with the answer. Don't you want answer for that?

SHRI SUKHENDU SEKHAR ROY : Sir, this is a national issue. *...(Interruptions)...*

MR. DEPUTY CHAIRMAN : I want the answer. I am interested in listening to the answer for that. *...(Interruptions)...* Therefore, after the reply, I will put the question to the House. *...(Interruptions)...* Don't worry. *...(Interruptions)...* I am telling you. *....(Interruptions)...* What do you mean? *...(Interruptions)...* It is not right now. *...(Interruptions)...* After this agenda item is over, I will take the sense of the House. *...(Interruptions)...* I am telling you. *...(Interruptions)...* I will not enforce anything. *...(Interruptions)...* I will not enforce anything. *...(Interruptions)...* Mr. Baishyaji, you are my friend. *...(Interruptions)...* I will not enforce anything. *...(Interruptions)...* Please go to your seat. So, Mr. Ganguly, be brief. *...(Interruptions)...*

DR. ASHOK S. GANGULY (Nominated) : Mr. Deputy Chairman, with all respect, you allow everything to go on in this House. Whenever I stand you want me to. *...(Interruptions)...*

MR. DEPUTY CHAIRMAN : I only said that you please be brief. *...(Interruptions)...* The brevity is for you, I am not deciding. *...(Interruptions)...* I only said, be brief. *...(Interruptions)...* See, brevity is your decision. I only said, be brief. It can be five minutes. It is up to you. *...(Interruptions)...*

DR. ASHOK S. GANGULY : As it is, you are surrounded by noise. ...*(Interruptions)*... We have got the whole of the afternoon ahead of us. ...*(Interruptions)*... Be that as I have almost forgotten what I wanted to say. ...*(Interruptions)*... But I will try to remember. ...*(Interruptions)*... I will try to remember and try to recall. ...*(Interruptions)*... Mr. Minister, through the Deputy Chairman, whatever I have read, and I am a layperson, I was going to stand up here and compliment you and the Government of India for having achieved something which has eluded us for several years. When Mr. Lamy was the head of WTO, I wondered whether it was a World Trade Organisation or a 'Western Trade Organisation'. However, while complimenting you of having revived the Ball Round and getting a breather for four years, I share the concerns which has been raised by the LoP and Shri Yechury. And this time Mr. Yechury was a part of the delegation to Bali. ...*(Interruptions)*...

SOME HON. MEMBERS : No, no. ...*(Interruptions)*...

DR. ASHOK S. GANGULY : Then I am wrong, I withdraw. ...*(Interruptions)*... Okay, he was a part of the delegation to South Africa. ...*(Interruptions)*... But I think, Mr. Minister, I cannot imagine that this country's future food security and the protection of 60 per cent population, who depend on agriculture, which produces 15 per cent of GDP, and hopefully it will produce more part of the GDP, it would have been the Government of India's intention to *sell* of their obligations and rights. So, I cannot believe it and I am a bit shaken up. I am not shaken by the shouting, but I am shaken up by the points that have been raised. I am sure the hon. Minister will give some clarification because the point of the fact is that if any argument takes away the right to food, assurance to our people, then what remains for India. So, I cannot believe, hon. Minister, that you would have been any party to such a deal. You would have walked away from Bali or from wherever else in the world because the biggest shame in this world is that WTO has not been able to challenge and question the Western developed nations' subsidy to their farmers and their continuous pressure on the developing world to import their surpluses to other countries by restricting the growth of their own agriculture. I think by agreeing to the peace agreement at Bali, what you have done is, again you exposed the hidden agenda of the developed economies. You have protected the rights and responsibilities of 33 countries and I think you need to clarify this. If you did not have a WTO chairman from one of the BRIC countries or one of the developing countries, I do not think it should have been possible.

3:00 P.M.

[Dr. Ashok S. Ganguly]

However, a number of apprehensions have been, raised. And, I think, you are going to provide clarifications regarding those apprehensions. I do not believe that I have any questions in my mind that you, hon. Minister, would have entered into an agreement which would have tied us hand and foot in four years' time and exposed us to ill winds which would not serve Indian farmers and the Indian Food Security Act, as it has been intended to because that is one of the biggest movements in this country, the right to food. And, I cannot see that being bartered away. But some valid questions have been raised. And, I will again compliment you. It had not been easy. You had to defend yourself. You could have walked away from the Peace Agreement. It would not have served any purpose. But you did not. You found a solution, along with 33 other countries. There were supplementary agreements on customs, trade facilitations, etc., which must not be overlooked. Therefore, Mr. Deputy Chairman, we await the clarifications of the hon. Minister. But I compliment him and his colleagues, who went with him to Bali, for having faced very tough winds and having navigated India through it, with distinction. Thank you very much, Sir.

MR. DEPUTY CHAIRMAN : Now, Shri Bandyopadhyay.

SHRI D. BANDYOPADHYAY (West Bengal) : Mr. Deputy Chairman, I share the concern, raised by the hon. Leader of the Opposition. I would like to read the last sentence of the hon. Minister's statement. I read, "it will under no circumstances compromise the fundamental issues pertaining to food security, livelihood security and the welfare of its subsistence farmers and poor". Excellent! But, the point is the Agreement itself subverts agriculture. When the Agreement itself subverts agriculture, then, why is our food security? It has just become a hollow platitude without any basis. So, I would like to know from the hon. Minister exactly what measures he is contemplating – of course, agriculture is not his subject; the Cabinet is responsible – to take to protect the interests of the Indian farming community. What measures have you taken to protect the interests of the Indian farming community so that they do not suffer from onslaught of Bali or any other Agreement?

Thank you, Sir.

MR. DEPUTY CHAIRMAN : Dr. Yogender P. Trivedi. (*Interruptions*)

श्री नरेश अग्रवाल : डिप्टी चेयरमैन सर, महंगाई पर तो बहस नहीं हुई और दोहा पर इतनी लम्बी बहस चल रही है, जबकि देश महंगाई से पीड़ित है। ...*(व्यवधान)*... हम लोगों से सवेरे कहा गया कि ...*(व्यवधान)*...

श्री उपसभापति : यह भी महंगाई से कनेक्टेड है। This is also connected with price rise.

श्री नरेश अग्रवाल : नहीं सर, प्राइस राइज़ का दोहा से क्या मतलब है यह सुबह तय हुआ था। ...*(व्यवधान)*... यह एक बड़ी गलत परम्परा बन रही है कि सुबह चेयरमैन के कमरे में, जहाँ आप भी मौजूद थे, वहाँ कोई और चीज़ तय हो और यहाँ आकर उसे बिना पूछे बदल दिया जाए, जबकि हम उसी तरीके से तैयार होकर आएँ। अगर हम महंगाई पर चर्चा करना चाहते हैं, तो पूरे देश के लिए करना चाहते हैं। महंगाई देश का मुद्दा है। ये अभी हारे हैं, तो सिर्फ महंगाई पर हारे हैं। ये अन्ना हजारे से डर रहे हैं, महंगाई से डर नहीं रहे हैं। जब उस महंगाई पर हम लोग यहाँ चर्चा करना चाहते हैं और यह जानना चाहते हैं कि सरकार उस पर क्या कर रही है, तो उसका टाइम बिना बताए काट दिया गया। श्रीमन्, अगर इस तरीके के अंदर कुछ तय होगा और बाहर दूसरा कुछ होगा, तो क्या हम विश्वास करेंगे?

MR. DEPUTY CHAIRMAN : Okay. You have made your point. Now, Dr. Trivedi.

डा. योगेन्द्र पी. त्रिवेदी (महाराष्ट्र) : हमारा यह भी मानना है कि the WTO and the Bali Conference will have effect on us.

Sir, first of all, I would like to congratulate the Minister for his achievements at Bali. The earlier Conferences at Doha, at Rio, and at all other places, were all dominated by the United States and all Western countries. Actually, one of the Commerce Ministers once told me that at the Conference in Latin America, some of the developing countries, the African countries, had said that they had no option but to side with the United States, because they did not know how to pay their hotel bills, without their support. So, it was largely dominated by the USA and western countries, and we call ourselves the fifth largest economy in the world! We did not have any say in this. It is for the first time that you have been able to propound and you have been able to convince that India is also an economic power to be reckoned with and it cannot be brushed aside altogether. In the morning, we had a discussion about what happened to one of our diplomats in America.

[डा. योगेन्द्र पी. त्रिवेदी]

Somebody mentioned that this would not have happened if she was from China. Why so? If she would have been from China or from Japan or from Germany, this would not have happened. What is the reason? The reason is that they are economically strong powers. We have to make ourselves economically strong. The 21st century is the century of economics. Military power is going to become secondary. None of these economic powers which are considered great powers today, Japan or Germany, are not militarily that strong any more. But economic power is important. In order to achieve that economic power, we have to consider about certain strategic policies. You have mentioned here very correctly that you have restored at this Conference the credibility of the WTO as an institution. After all, what is the WTO? It is a *mandi* where nations come together to trade. As my friend, Mr. Jaitley, said that you should have done this and what you have achieved? What was the alternative? If the Bali Conference would have failed, then, again, you would have gone to the age of bilateral agreements and trade zones. At the moment, a stage had come when the WTO was on the brink of failure. So many countries are now going in for bilateral agreements with their supporters and with their neighbouring countries. Where do we stand here? We do not have all those options. We go for anti-dumping duties, we go for protection duties, we go for countervailing duties and as a result, we have more smuggling. Ultimately, it is the need of the hour that the WTO, as an institution, has to survive. If the WTO, as an institution, has to survive, we, as the fifth largest economic power, must have a say in the operations of the WTO. To a large extent, we have succeeded. According to me, we should not forget one more aspect also that, today, India is in a very strong position so far as food situation is concerned. Let us see, for example, India today is exporting foodgrains to 17 countries. India is the largest exporter of wheat. India is the second largest exporter of rice. We are the largest producer of cotton and sugar. We must bear in mind all these factors. If we want to arrive at world stage, as a great exporter, then we must see that we have favourable conditions which will allow us to do our exports in a proper manner. You are right. So many questions have been raised and you will give answers to all of them. You will point out what was available to you at that time. Now, we have got a four years' breathing period. Within those four year breathing period, we will be able to achieve much more. Our fruit production will rise. Our Minimum Support Price also may not be that high any

more. Our farmers, by themselves, will be sufficiently strong. Let us think about future. I think you should take that into consideration. Then, as you have seen, the Conference at Bali would have otherwise failed. Today, you have seen that some agreement has been arrived at. What is most encouraging is that so many African countries and so many developing countries have supported India's stand. You could get this thing in spite of all the obstacles and all the objections that you had. For that, once again, I congratulate you. Whatever you have achieved will have far-reaching effects and I think we should take that into consideration. Thank you very much

श्री नरेश अग्रवाल : माननीय उपसभापति जी, आनन्द शर्मा जी जब 3 से 7 दिसम्बर तक बाली सम्मेलन में भाग ले रहे थे, मैं उस समय इनके स्टेटमेंट्स पढ़ रहा था। इन्होंने बहुत जोर-जोर से वहां भी और यहां हिंदुस्तान में भी कहा कि हमें फूड सेक्युरिटी बिल लाने से बड़ी सफलता मिली है और उस पर हमने तमाम देशों में मुहर लगवा ली है। इन्होंने उसे इस तरह के प्रोजेक्ट किया, जैसे कि हिंदुस्तान को बहुत बड़ी सफलता मिल गयी हो। मुझे याद है, जब नरसिंह राव देश के प्रधान मंत्री थे और मौजूदा प्रधान मंत्री जी देश के वित्त मंत्री थे, उस समय जब डब्ल्यूटीओ लागू होने से यह देश में फिर से सोने की चिड़िया हो जाएगा। आपने एफडीआई लागू किया गया था, तब भी इसी प्रकार की बात कही गयी थी कि डब्ल्यूटीओ लागू करने के समय भी यही कहा था और मैंने आपसे कहा था कि आप अगर अपना ओरिजिनल सिस्टम ठीक नहीं करेंगे, अगर आप देश की बेसिक प्रॉब्लम को नहीं समझेंगे, तो आप विश्व में चाहे जितने समझौते कर लीजिए, आप विश्व के बहुत बड़े लीडर हो जाइए, लेकिन हिंदुस्तान में कहीं-न-कहीं समस्या आपके सामने खड़ी रहेगी। अब वही बात आई। जब डब्ल्यूटीओ लागू किया गया, उस समय भी मैंने बहुत खुले शब्दों में कहा था कि डब्ल्यूटीओ देश के साथ विश्वासघात है क्योंकि मैं जानता था कि डब्ल्यूटीओ लागू होने के बाद देश की क्या स्थिति होगी। आज उसी का नतीजा है कि आज देश में इंडस्ट्रियल ग्रोथ इतनी गिरी है। हाल की एक लेटेस्ट रिपोर्ट के अनुसार पिछले महीने इंडस्ट्रियल ग्रोथ 1.46 प्रतिशत गिरी है और आपकी जीडीपी 4.78 पर पहुंच गयी है। अब अगर एक साल जीडीपी की यही हालत रही, तो देश का बेरोजगार सड़कों पर खड़ा होगा। आप खुद देखिए कि आज आप किस स्थिति में पहुंच गए हैं?

माननीय त्यागी जी सुबह शुगर की प्रॉब्लम के बारे में बता रहे थे। श्रीमन्, हमारे यहां शुगर सरप्लस में है, लेकिन हमने शुगर को इम्पोर्ट करने के लिए अलाउ कर दिया। हमने रॉ शुगर को इंडिया में इम्पोर्ट करना अलाउ कर दिया। सभी लोग कहते रहे कि आप उस पर ड्यूटी बढ़ाइए, लेकिन ड्यूटी नहीं बढ़ायी गई और उसी का यह नतीजा निकला कि आज गन्ना किसान और गन्ना मिल मालिक एक ट्रबल में फंस गए हैं और गन्ना शुगर इंडस्ट्री, जोकि महाराष्ट्र और उत्तर प्रदेश की बहुत बड़ी इंडस्ट्री है, आज उनके किसानों के सामने बड़ी समस्या पैदा हो गयी है। आपने मिल-मालिकों को तो 7200 करोड़ का पैकेज दे दिया, लेकिन गन्ना किसानों को क्या पैकेज दिया? आज देश का गन्ना किसान ठगा हुआ है। हमारे मुख्य

मंत्री जी आए और उन्होंने शरद पवार जी से बात की।

श्री उपसभापति : नरेश जी, आप बाली सम्मेलन के बारे में बात कीजिए।

श्री नरेश अग्रवाल : श्रीमन् अगर यह बेसिक प्रॉब्लम सॉल्व नहीं की गयी, तो ये बाली में कोई समझौता कर आएँ, उस समझौते से क्या फायदा होगा? आप बाली में समझौता कर के आएँ और कहा कि हमारा फूड सेक्युरिटी सिस्टम सब से अच्छा है, तो आप बता दें कि आपका जो बजट घाटा बढ़ रहा है, वह बाली ने कैसे पूरा किया? आनन्द शर्मा जी, आपने वोट लेने के लिए चाहे मनरेगा हो, चाहे फूड सेक्युरिटी कानून हो, लागू किए, लेकिन आप 5 लाख करोड़ रुपए के फिस्कल डेफिसिट पर पहुंच गए। अब 5 लाख करोड़ रुपए के फिस्कल डेफिसिट के बाद आप कह रहे हैं कि हमारा देश बहुत तरक्की कर जाएगा क्योंकि हमने बाली में उन देशों को भी राजी कर लिया है, जो डब्ल्यूटीओ के मेंबर नहीं थे, जिन्होंने डबल्यूटीओ स्वीकार नहीं किया था। मंत्री जी, आज आपके रुपए का कितना अवमूल्यन हो रहा है?

श्री उपसभापति : अब आप प्रश्न पूछ लीजिए।

श्री नरेश अग्रवाल : उपसभापति जी, ये दोनों चीजें एक-दूसरे से जुड़ी हुई हैं। आनन्द शर्मा जी अगर विदेश में हिंदुस्तान के लिए कोई समझौता कर के आएँ, तो उस समझौते का क्या रिपरकशन होगा, हमने अगर यहां उस पर विचार नहीं किया, तो देश के साथ क्या होगा अगर हम सिर्फ ये जो समझौता कर के आए, उसी पर सीमित रहे, उसके रिपरकशन पर बात नहीं की, तो देश के साथ क्या होगा? अब ये तो अगले चुनाव में साफ हो जाएंगे, ये लौटकर नहीं आएंगे और दूसरे साथी भी नहीं आएंगे। इनको भी अपने मन से गलतफहमी दूर कर देनी चाहिए। मैं कह देता हूँ कि सरकार तीसरे फ्रंट की आएगी। इन दोनों ने जिस तरह मिलकर लोकपाल बिल पास कर लिया, इन दोनों ने मिलकर अन्ना हजारे से समझौता कर के, जैसे लोकपाल बिल पास किया है, उस पर नतीजा देश के सामने आ जाएगा।

श्री उपसभापति : ओ.के., अब कंक्लूड कीजिए।

श्री नरेश अग्रवाल : श्रीमन् मैं इन से कह रहा हूँ, आनन्द शर्मा जी, डब्ल्यूटीओ हिंदुस्तान में डब्ल्यूटी यानी विदाउट टिकट हो जाएगा।

इसको डब्ल्यूटी. न बनाइए। इस देश की बेसिक प्रॉब्लम समझिए और देश का समझौता विश्व में तब कीजिए, जब देश का हित हो। आज चीन ने हिंदुस्तान का पूरा बाजार ले लिया है, आज अमेरिका हिंदुस्तान में हमसे दोस्ती करने नहीं आया है, व्यापार करने आया है। आज युरोपियन कंट्रीज हिंदुस्तान को इसलिए पसंद नहीं कर रही हैं कि आप उनके दोस्त हैं, बल्कि उनको इतनी बड़ी मार्केट मिल रही है, उस मार्केट के लिए यह सब है। ये सौदागर हैं, ये हिन्दुस्तान के मददगार नहीं हो सकते हैं। तो इस मारे ...**(व्यवधान)**...

श्री सत्यव्रत चतुर्वेदी (मध्य प्रदेश) : महोदय, इनके पास तो प्रश्न हैं नहीं, अगर ये इजाजत दें तो मैं इनसे दो सवाल डब्ल्यूटीओ के बारे में पूछ लूँ?

श्री नरेश अग्रवाल : श्रीमन्, ये चतुर्वेदी हैं। ...*(व्यवधान)*... ये द्विवेदी, त्रिवेदी नहीं हैं, ये चतुर्वेदी हैं। ...*(व्यवधान)*... चतुर्वेदी का मतलब होता है, जिसको किसी वेद का ज्ञान ...*(व्यवधान)*...

श्री सत्यव्रत चतुर्वेदी : इनकी गाय और बछड़ा ...*(व्यवधान)*...

श्री नरेश अग्रवाल : गाय और बछड़ा इलेक्शन कमिशन ले गया। ...*(व्यवधान)*...

श्री उपसभापति : नरेश जी, समाप्त कीजिए। ...*(व्यवधान)*... समाप्त कीजिए। टाइम हो गया, आप समाप्त कीजिए। ...*(व्यवधान)*... नरेश जी, समाप्त कीजिए।

श्री नरेश अग्रवाल : चतुर्वेदी जी, गाय और बछड़ा इलेक्शन कमिशन ले गया, आपको हाथ दे गया। हमने नहीं लिया, वह आपका ...*(व्यवधान)*...

श्री उपसभापति : नरेश जी, प्लीज़ ...

श्री नरेश अग्रवाल : लेकिन मैं इतना कहना चाहता हूँ ...*(व्यवधान)*...

श्री सत्यव्रत चतुर्वेदी : कौन ले गया, यह बताओ। ये ऐसे विचित्र लोग हैं कि इन्होंने बांध बनाया, पानी में ...*(व्यवधान)*... ये बेकार ...

MR. DEPUTY CHAIRMAN : No, no, let him finish. ...*(Interruptions)*... चतुर्वेदी जी, बैठिए...चतुर्वेदी जी, बैठिए। ...*(व्यवधान)*...

श्री सत्यव्रत चतुर्वेदी : जब विरोध करना है, तो किसी हद तक भी उतरकर ये विरोध करते हैं।

श्री उपसभापति : नरेश जी, समाप्त कीजिए।

श्री नरेश अग्रवाल : महोदय, इस देश में सबसे ज्यादा ज्ञानी चतुर्वेदी होते हैं, इकवेदी, द्विवेदी, त्रिवेदी, चतुर्वेदी... अब आगे मैं कुछ नहीं कहूंगा। चतुर्वेदी बहुत बड़े ज्ञानी होते हैं और खुजराहों के चतुर्वेदी को तो पूरा ज्ञान है। उनको तो पूरा गुप्त ज्ञान भी है। श्रीमन्, मैं केवल इतना कहूंगा कि माननीय मंत्री जी, आप जब जवाब दें, तो इस बात को भी क्लीयर कर दीजिएगा कि इससे देश की महंगाई कैसे रुकेगी, इस देश से भुखमरी कैसे खत्म होगी, देश के लोगों को बराबरी का हिस्सा कैसे मिलेगा और यह देश तरक्की कैसे करेगा?

MR. DEPUTY CHAIRMAN : Now, Shrimati Kanimozhi. Please be brief. Just put the questions.

SHRIMATI KANIMOZHI (Tamil Nadu) : Sir, I would like to put a few questions to the Minister. Given that this is an interim agreement, there is a lot of fear among the farmers. It has given rise to a lot of concern whether the marginal

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and subsistence farmers would be protected. The Government should also keep in mind that the Minimum Support Price at which we procure grains from the farmers should not be reduced at any cost. Also, will the Minimum Support Price include the cost of inputs, inflation and other factors? Will these also be taken into consideration? Now, this is an interim agreement and the permanent one would come after four years. There would be a lot of changes in agriculture. Sometimes there is no rain, sometimes there is too much rain and there are climate changes. There are a lot of such issues which need to be taken into consideration. Agriculture in our country is facing a lot of crises. So, will all this be taken into consideration? Will the farmers in India be protected?

Then, Sir, there are talks about the trade facilitation agreement. I would like to appreciate the hon. Minister for that, but there is a fear that import of food grains from other countries would affect the markets and farmers here, because India is basically an agricultural country and a lot of people depend on agriculture. Will the Minister assure us that he would ensure that the local markets and the local producers will not be affected in any way? They have to be protected over anything else. Also, I would like to remind the Minister about the Food Security Act which many Members have spoken about. So, we have to answer everybody. We are going to be scrutinized about the Food Security Act. Will the other countries have power over us to interfere and make changes in our local policies? So, that has to be assured also. I would like a clarification on that from the Minister. I would also like to know what are the kinds of legal and legislative amendments which we have to make because of the commitments given over there.

DR. BHALCHANDRA MUNGEKAR (Nominated) : Thank you, Sir, for allowing me to speak a few minutes about this. Sir, I listened carefully the speeches of the Members of the Opposition.

(THE VICE-CHAIRMAN (SHRIMATI RENUKA CHOWDHURY) in the Chair.)

Since Parliament is adjourned very frequently, it is quite possible to write a Ph.D. thesis about the limitations of WTO and its impact on developing countries by using that lapse time. Madam, Economics is not as liberal as Political Science and the clarification is that any economic decision is subject to the given conditions at

a given point of time. I don't at all surprise to listen to the speeches of the learned opposition leaders. Considering the given conditions and the paraphernalia of the WTO, I think, the Commerce and Industry Minister has done a commendable job by preserving and protecting the Right to Food Security Bill. Since GATT was in existence, being an elementary Economist, I was myself having a number of apprehensions and, time and again, I have expressed those reservations and apprehensions in the Planning Commission. Though India is having 16 per cent of the total population of the world, it is having three-and-a-half per cent of the world's total income. India is not the major player so far as the international scenario is concerned. All developing countries put together, they are operating at the periphery, while the US, the EU and Japan constitute the centre. My point is that the Industry and Commerce Minister, at least, has succeeded that the 10 per cent of the aggregate measure support condition of 10 per cent of the total agricultural value of the output which is not followed by any of the developed countries in the world – no more valid for developing countries. Unfortunately, the developed countries having history of economic development for the last 200 years are in commanding position to impose the conditions on the developing countries. The question is Food Security Bill was extremely important. Rather than speaking about everything under the sun, what WTO is, my personal opinion is – whatever Mr. Jagdish Bhagwati might be saying in Defence of Globalization – globalization, privatization and liberalization was a deliberate mechanism brought at a particular time of the world historical development by the developed countries to put the developing countries into trap and not to allow them to develop properly. That apart, having agreed to some of the criticisms made by the learned opposition members, this aggregate measure support exemption under the peace clause is up to 2017. That is why we shall be able to protect and implement the Food Security Scheme only up to 2017 under the peace clause. What is exactly going to happen and what measures Government is going to take after 2017? For every sensible economist in the world who doesn't accept the hegemony of the US, the European Union and Japan, the criticism of WTO is just elementary.

SHRI SATYAVRAT CHATURVEDI (Madhya Pradesh) : Can you also clarify what is the role of China in this entire deliberation? Where did they stand? How did they affect us?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA) : Thank you, Madam Vice-Chairperson. At the outset, I would like to thank the hon. Members beginning with the Leader of the Opposition, Shri Sitaram, Yechury, Shri Naresh Agrawal, Shri Bandyopadhyay, Shri Trivedi, Shri N.K. Singh, Dr. Ashok Ganguly, Shri Satyavrat Chaturvedi and Dr. Mungekar, for raising some very fundamental issues. Listening to them and the Leader of the Opposition made one thing crystal clear to me that perhaps, whatever the narrative has been about the MC-9, the Ninth Ministerial Meeting in Bali, there is need of clarity as to what was discussed, what was the background, what perhaps are the implications and what would have been the implications had this not been reached. These are the fundamental issues, and I will come also to the specific clarifications which have been sought.

Madam, the Uruguay Round was concluded in 1994. The existing agreement and the rules, that govern the world trade, are dated to 1994. The WTO was established in 1995. There have been many illustrious Commerce and Industry Ministers of India before me between 1995 and 2013 and each one of them has made his own contribution. But the fact that stands out is that after the Uruguay Round, which was inherently imbalanced against the developing and poor countries – I agree entirely with the Leader of the Opposition, Mr. Sitaram Yechury and other friends—the present rules that govern the global trade, including the agricultural trade, are imbalanced unfair, unjust and again are linked to the outcome of the Uruguay Round. Therefore, it was felt an imperative to bring about changes and corrections. That is the reason that the Doha Development Round of negotiations was launched in the year 2001. Twelve years have passed. This is the first round of the World Trade negotiations ever in the history of the global trade which is dedicated to the developmental agenda, which has taken the longest and which was reaching nowhere. Hon. Members must note that MC-9 was convened in the background of eight failed Ministerials, eighteen years of WTO and nineteen full years of Uruguay Round. That is where we were. I am not referring to speculative reports, I am not talking of the fears expressed in the media, but the real issue is that key interlocutors and principal stakeholders of the developed countries and the developing countries were discussing this. The developing countries collectively—from Asia, Africa, Latin America to Caribbean – had one common fear that, perhaps, a collapse would lead to the collapse of the Doha Round and also the centrality of

the WTO when it comes to rule-based global trade governance. This was the background. There were issues connected to what has been raised by the Leader of the Opposition about the agenda and whether the developed countries have succeeded in bringing back the old agenda on agriculture. Particularly, he has referred to the issue which has not been addressed and that issue, Madam, I would like to inform the hon. Members and this august House, will be part of the agreement on agriculture, not the old agreement on agriculture, but the new agreement on agriculture which is being discussed as part of the Doha Round.

The need of a new agreement, negotiations is because it must replace the old agreement, which is imbalanced, as I mentioned, inherently-flawed and does not serve the interests of the developing and the poor countries.

Now, the question, which has been raised, is about the Food Security Programme as well as what India has agreed to as part of the interim mechanism. With all respect to the very learned Leader of the Opposition, I would like to mention, and, I am sure that he will recall, that in the Cancun Ministerial Meeting in September, 2003, the then Commerce and Industry Minister, who is now the hon. Leader of the Opposition, had also raised the same issues, the issues which were raised by us.

He has referred specifically to the four-year period, and, I will come to it later, which, in fact, needs clarity, and, that, again, is not correct, but it was the first time of a temporary arrangement to protect the farmers. And, in this case, the word 'temporary' was rejected in Bali, and, I am on record; I rejected any 'temporary' arrangement. For the first time, a transitional arrangement was discussed, I must remind, not to be taken otherwise, was in Cancun when it was said, "there has to be a calibrated approach to market access, and, correct *vis-a-vis* reduction in distortions in agriculture with the transition period..."

So, what India had proposed in 2003 was a transition period; that we needed a transition period. Now, see 2013, or, even in Geneva, and, here, I must compliment our negotiators who have worked hard. They belong to this country, they do not belong to any political party. They carried the mandate and they negotiated very hard. They negotiated at a time when there was one particular agenda being pushed, and that was the developed countries' agenda, and, India had insisted that there

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must be a horizontal balance for the Bali Package. What does this horizontal balance include? Three elements of agriculture were agreed, whether it is the TRQ, that is, Tariff Rate Quota Management; Export Competition, which was an issue concerning the developed countries, the LDC package, and, the G-33 proposal on Food Security. G – 33 is a group of 46 developing countries with Indonesia as the Chair. But this proposal has been referred to or known as India's proposal because India took upon itself to lead the charge, to spearhead the proposal which is connected, Madam Vice-Chairperson, not to the issue of food security. Now, this is being referred to, and, rightly so, as public stock holding, that is, the procurement from the farmers for food security purposes. Correct. But let me make one thing clear. WTO, *per se*, has no jurisdiction whether it comes to sovereign space of India or any other developing or developed country. Food Security Programme is not a question of insulating. It has never been on the agenda. It is our decision at what price we give food to our people. Nobody can tell us. The issue is limited. The issue is limited to the Uruguay Round where we are allowed as nation States to procure from our farmers and create a public stock. So, procurement from the farmers, in most of the developed countries, procurement from subsistence farmers, for public stock holdings of foodgrains for food security purposes, is the issue, and, what is permitted there, as hon. Leader of the Opposition is the *de minimis*'s limits.

That is what their terminology is, again, of the Uruguay Round. This means 10 per cent of the value of the total food grain or that particular staple food or cereal produced. That is 10 per cent of the value. How it is calculated, the *de minimis* formula, and I agree with the Leader of the Opposition, is something which is unacceptable and so Sitaram Yechuryji have said. These are linked to an External Reference Price. This is how it is calculated, and the band is 1986 to 1988. Now, when we were negotiating in Geneva, we made it very clear that it is impossible for countries to build public stock of foodgrains based on 1986 to 1988 prices. Therefore, this must be brought on the agenda at Bali. This must be addressed. And we are on record saying it in Bali during the negotiations with the developed countries including the US and the EU. I made it clear that the world has to move to the 21st century. In the second decade of the 21st century, I cannot accept the

External Reference Price of 80s. That is why we forced the issue. Now, what was the reason for us to negotiate even an interim mechanism? I must share it with the Leader of the Opposition and the hon. Members. Sometimes during negotiations and sometimes in the media narrative, some acronyms are thrown up which are not the agreed terminology. 'Peace clause' is not an agreed terminology. Nowhere in the document, nowhere in the discussion, nowhere in the agenda will you find the so-called word 'peace clause'. When this question was put to me that are you willing to discuss 'peace clause'—this was in Bali—my answer was, I share with the House, we are negotiating a trade pact, hundred and fifty nine sovereign nations. We are not at war. We are not in a conflict zone. So, what peace clause can I negotiate? What we need to negotiate is a protection, and protection for what? We were in danger because of 1986-88 prices and the need for enhanced procurement of foodgrains, Madam, in India and other developing countries. I would like to share with the House that there are 14 other developing countries in Asia, Africa and Latin America who have similar food security programmes. Their food procurement will go up and if you take the calculation based on 1986-88 prices, they will be in breach and invite penal action, penalties because of the Uruguay Round. So, the need was whether I should have or India should not have discussed this. If India had not raised this, there was no protection. We would have breached the *de minimis* because of the food security programme. If we are allowed to move to this century prices, we will not be in breach for a long time to come. Therefore, what has been agreed to is purely an interim mechanism with the best endeavour to reach a permanent solution. Permanent solution does not mean a poor solution; permanent solution does not mean that it is based on the Uruguay Round; permanent solution will be based on the Doha Round; permanent solution will be which addresses all these issues. There will not be any permanent solution which compromises the interests of India, its farmers, its food security, or, for that matter, of all other developing countries. India does not stand alone. We speak for others also. Now, this has been agreed to finally after seven days of hard negotiations, but it is not, I would clarify to the hon. Leader of the Opposition, only for four years. No. If they find a permanent solution which is a negotiated permanent solution, that is notified, it could be in four years. But we did not stop there. We insisted, and if you read beyond that, the very next sentences say, "or until a permanent solution is put in place".

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This question was put to me what will happen in four years. Nothing will happen. You will not be vulnerable to any challenge under the Uruguay Round Agreement on Agriculture for breach of *de minimis* irrespective of how many years until an agreed negotiated permanent solution is put in place. That is what we have achieved.

The hon. Leader of the Opposition also asked that the calculation will include the fertilizer subsidies and the transport subsidies. With all respect, I will say 'no.' That understanding is not correct. The input subsidies on fertilizer, power and water are not included in *de minimis*. They are not. They are covered under Article 6.2 of the Agreement on Agriculture. They are available to the developing countries. They are not included in the *de minimis*. The *de minimis* calculation is based on what we procure from our farmers. The wording is, 'on administered prices.' In case of India, it is the Minimum Support Price (MSP). All other subsidies, which were referred to by Arun Jaitleyji, are not included. Only amber box subsidies, which he knows very well, which are mostly trade distorting, are covered by the *de minimis*'s. Here I must clarify for the benefit of the Members that what developing countries procure from farmers, somehow in the Agreement on Agriculture and the existing rules, which make us vulnerable, are treated as subsidies, what you buy from subsistence farmer. But this is the existing Agreement on Agriculture. You cannot find fault for what happened in 1994 and all these years as to what we were able to achieve 19 years later in Bali. I would like to thank actually our negotiators and not discredit them, nor demoralise them if I were you. I will actually look at seriously what they have been able to achieve.

The hon. Leader of the Opposition said this and I think that was the concern shared by Shri Yechury and some other Members. He said that it is the existing programmes. Correct. Existing programmes are the notified Food Security Programmes. Public procurement is which is done for that. Now, existing programmes means the programmes which have been notified by them or brought through an Act of Parliament like in case of India. There are other countries which have notified these after their Governments have decided and the Parliaments have legislated. These are the notified ones and these are made available to the WTO. Now there is a difference. It is a very valid clarification sought from me, from the Government that what about our increased requirement for procurement. So existing means that it is not rolled out. Existing means that your entire programme, whether you say 35 kg per person or 50 kg. per person, as such is treated as the existing programme

irrespective of what you say. There is a production part and there is a consumption part. Production part is *de minimis*, what you have ten per cent, not the consumption what the Governments give to their citizens as I have clarified at what rate.

I want to share, Madam, with the House that there was a stage during the negotiations, which I mentioned in my Statement, as a part of a compromise because negotiations are give and take. There are 159 countries which were negotiating. Each country has its wish list. We cannot have a country-specific agreement and that applies to the developed countries now as well as to all others. You cannot have country-specific agreements. Otherwise, there would have been 159 agreements, not one agreement, because all are sovereign States. But what we insisted, when we were offered during the close negotiations, was that we would allow you grandfathering of your programme if you accede to the rest.

And I am very proud that we, as India, said, "No". This solution must be available to all the developing countries of the world. It was India which insisted and got it. That is why, what Shri Sitaram Yechury was saying about the solemn occasion on which we went there was for the memorial service for one of the tallest statesmen of the world and an inspirational leader, Dr. Nelson Mandela. That is where the African Ministers in his presence came and thanked India. They said, "Thank you India for what you were able to achieve for all of us". This is the truth.

Now, there is another issue which has been raised by the hon. Leader of Opposition, Shri N.K. Singh and Shri Sitaram Yechury. That is about clause 3, that is, information. As the hon. Leader of Opposition knows better than many of us, already as per the Agreement on Agriculture and the Uruguay round obligations, every member country of WTO has to notify what you procure. You have to inform the WTO. I have not done something which is actually different or which should cause concern. We have taken protection and with umbilical linkage to permanent solution, notifying or giving information that is in that clause. I will show you the form. It is only information. Madam and hon. Members, most of this information is also available in public domain. It is what the Government has procured and what is budgeted for procurement. It is not only we as Members of Parliament, but even a citizen of India under RTI will also know that. The website of the Food and Consumer Ministry has all the details and under the Uruguay Round of Agreement, you are meant to notify. That is what the existing rules are.

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Another issue which has been raised is about clause 4. We are talking about the trade distortion issue. Now, what is the matter here and why we have agreed and it is part of the ASCM. What we have made clear and in what spirit it has been said that what we are procuring from our farmers – I am talking for food security purposes—to build up public stock for guaranteed food security shall not be given to private traders to export. When America and other negotiators were talking to us, they asked us as to how we assure them that we would procure from the farmers and not dump in the international market to distort trade and distort prices. I said this. I said, “You don’t know about our country and our system. If anybody uses public funds for public procurement “of foodgrains and public stock holding and gives it to private trader saying that you export and make money, that will be the shortest route to prison. This will be the biggest scam.” That is what I had to tell them that we cannot do it. So, any apprehension is not correct. When it comes to ASCM, hon. Leader of Opposition knows that Agreement on Subsidies and Countervailing Measures is not part of the discussion under the Doha Round, that is, in 2004, the countries which got protection under the ASCM. Those are developed countries. That also ended in 2004. So, there is no question of ASCM being discussed. There are three pillars which are under discussion under the Doha Round which is NAMA, that is, the industrial goods market access, agriculture and services. What we discussed were elements of three. Question which is put to me regarding trade facilitation is, how did we agree that trade facilitation came on the agenda, how does India benefit from it, whether it is a compromise or whether we have capitulated. I am actually surprised that this has been said. I assumed my responsibility of this office only in May, 2009. Now, this is very important for the Members to know.

The Trade Facilitation was taken as a part of the negotiations following the Singapore Round, Singapore Ministerial Conference. The hon. Leader of the Opposition may recall that the mandate was given in the WTO Ministerial Conference and in the Framework Agreement of 2004. So, it was not at Bali in 2003. It was in Singapore in 2004 when the mandate was given that Trade Facilitation would be discussed. So, it is not that India has made an overnight compromise.

(MR. DEPUTY CHAIRMAN in the Chair)

On Trade Facilitation, I have to say the following. It is not a question of what Sitaram Yechury ji has asked, whether we have agreed to the binding provisions and autonomous measures that India has taken are not binding which a country can withdraw.

Shri N.K. Singh has also said, “Why are we talking of Trade Facilitation when we have miniscule share?” I don’t agree with him. We have the third largest economy in the PPP terms. The Trade Facilitation, after all, is Customs Cooperation. The Trade Facilitation is publication, including internet publication of relevant trade-related rules, pre-arrival processing of import documents, facility of electronic payment, special facilitation measures for authorised operators, express shipment and also advance rulings which are available only to partnership firms, limited liability to partnerships and joint ventures. Now it will be available to all exporters and importers. That is what Trade Facilitation means.

I would also like to clarify here that most of the things we have done which are part of the Foreign Trade Policy for five years unveiled in August, 2009. India has done the following. The first is e-applications. Every filing by importers and exporters is electronic. All payments are done through electronic mode. India has done away with multiple filing of the applications. India has ensured electronic data interchangeability of port and air cargo terminals. They are all linked. There is electronic data interchangeability to file an application in one place and automatically it will be available to access and download from anywhere. Bank Realisation Certificates are electronic, 24x7 port functioning and major airport cargo terminals functioning, India has already done it. With all respect to learned Member, Shri N.K. Singh, I want to inform him that India’s share of total trade in 2004 stood at \$136 billion. It was a two-way trade. Now, it is \$790 billion. If you add services, it has crossed one trillion U.S. dollars.

SHRI ARUN JAITLEY: The price of Brent crude oil rose from \$25 to \$115, obviously the international trade would go up. Why are you taking credit for that?

SHRI ANAND SHARMA : Neither you could control the oil price nor are we. *...(Interruptions)...* Let me give due credit that it was not even \$70 billion when it comes to exports. Now it is \$309 billion. Should we take credit? Will you give it to us? I expect that grace with a smile. *...(Interruptions)...* I like Mr. Goyal a lot. I am sure he has a bright future. *...(Interruptions)...* If he could one day enlighten the House as to how he can bring down the price of Brent crude to \$25, the country will benefit.

MR. DEPUTY CHAIRMAN: I think you have replied to all the points.

SHRI ANAND SHARMA: One important point I want to mention, the TF is not binding. Before I conclude I must mention that TF is not binding. There is Section ‘A’, Section ‘B’ and Section ‘C’. In Section ‘A’ of the Trade Facilitation

[Shri Anand Sharma]

binding commitments have been made voluntarily by the countries. Those commitments are those which will be triggered in July, 2014. These countries will decide those Trade Facilitation commitments. That means the developing countries in Section 'C' are those commitments which the countries will say no.

A question was put to me about LDCs. India has supported the LDC package. We have covered 98 per cent of tariff lines. We could very proudly inform the world that India has already done it. What is important is that I must answer questions of all the Members so that there is no grey area left. LDCs will need financial assistance, infrastructure and resources. India has supported that Shri Sitaram Yechury had asked a question whether India will take foreign funds for trade facilitation. The answer is 'no'. India stands for resources to be made available to the LDCs. India does not need resources for trade facilitation at all.

अंतिम में यह कहा गया कि दूसरे देश आकर देखेंगे। कंसल्टेशन का मतलब है कि आप बताएंगे, सूचना देंगे, जिसका मैंने ब्यौरा दिया और सूचना का फॉर्म यहां पर है। उससे ज्यादा सूचना आपको फूड कंज्यूमर मंत्रालय की वेबसाइट पर मिलेगी कि क्या इंसपेक्शन होगा? नहीं। क्या स्कूटनी होगी? नहीं। कानीमोझी जी ने पूछा कि क्या कोई एमएसपी कम कर सकता है। बिल्कुल नहीं। MSP will only go up. MSP will not go down. Procurement will only go up. Nobody will interfere. I would like to conclude by saying. *...(Interruptions)...* It is true. I will conclude by placing on record our appreciation for India's negotiators, India's officials. I would also like to place on record our gratitude to the IBSA Group of countries for holding together firm in unity, the countries from Africa, Latin America and Caribbean who stood by India as India led the charge on this issue. Thank you.

MR. DEPUTY CHAIRMAN: Hon. Members, if the House agrees. *...(Interruptions)...* The Rani Lakshmi Bai Central Agricultural University, Bill, 2012 *...(Interruptions)...* It is something else. *(Interruptions)...* It is something else. *...(Interruptions)...* It is something else. What are you saying? *...(Interruptions)...* Hon. Members, there is a Bill. If the House agrees to pass it without discussion, I will ask the Minister to move it, that is, The Rani Lakshmi Bai Central Agricultural University, Bill, 2012. *...(Interruptions)...* I will tell you. *...(Interruptions)...* Listen to me. *...(Interruptions)...* Please listen to me. *...(Interruptions)...* I am putting a question to the House. The House can reject it. *...(Interruptions)...* I am putting a question to the House. The House can reject it. I have no problem. *...(Interruptions)...* The House can reject it. *...(Interruptions)...* Here is a Supplementary List. What can I do? *...(Interruptions)...* What can I do? *...(Interruptions)...* You go there and object

to it. ...*(Interruptions)*... I will put it to vote. ...*(Interruptions)*... You can vote it out. ...*(Interruptions)*... Go there and vote against it. ... *(Interruptions)*... If a Bill is to be introduced .. *(Interruptions)*... How can you say that? ... *(Interruptions)*... Listen to me. ...*(Interruptions)*... First you listen to me. ... *(Interruptions)*... You can oppose it and vote it out. ...*(Interruptions)*... Why don't you oppose it and vote it out? *(Interruptions)*... The Constitution (One Hundred and Nineteenth Amendment) Bill, 2013. Shri Salman Khurshid. *(Interruptions)*...

THE MINISTER OF EXTERNAL AFFAIRS (SHRI SALMAN KHURSHID): Sir, I beg to introduce ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN : You can't do it like that. ... *(Interruptions)*... Don't do this. ...*(Interruptions)*...

SHRI SALMAN KHURSHID: Mr. Deputy Chairman, Sir, I beg to introduce ... *(Interruptions)*...

MR. DEPUTY CHAIRMAN : The House is adjourned for ten minutes.

The House then adjourned at four of the clock.

The House re-assembled at nine minutes past four of the clock,

MR. DEPUTY CHAIRMAN in the Chair.

MR. DEPUTY CHAIRMAN : Now, Bill for introduction. ...*(Interruptions)*...

SOME HON. MEMBERS: No, adjourn the House *sine die*. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: The Constitution (One Hundred and Nineteenth Amendment) Bill, 2013. Shri Salman Khurshid. ...*(Interruptions)*...

SOME HON. MEMBERS : No. ...*(Interruptions)*...

GOVERNMENT BILL —Contd.

The Constitution (One Hundred Nineteenth Amendment) Bill, 2013

THE MINISTER OF EXTERNAL AFFAIRS (SHRI SALMAN KHURSHID) : Sir, I move for leave to introduce a Bill further to amend the Constitution of India to give effect to the acquiring of territories by India and transfer of certain territories to Bangladesh in pursuance of the agreement and its protocol entered into between the Governments of India and Bangladesh. ...*(Interruptions)*...

The question was put and the motion was adopted.