Trade Agreements

The Clinton Visit to India

The WTO connection

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The US has been relentlessly pressurising India to liberalise imports by drastically cutting down import duties and remove all quantitative restrictions on imports. The World Trade Organisation has been used to decree that India cannot impose quantitative restrictions. While the European Union agreed to India lifting such restrictions by 2003, the US did not agree.

Under US pressure, an agreement was signed in December 1999 by the two countries by which India will remove all quantitative restrictions on imports. 1429 items which have been on the restricted list can be freely imported from 1st April 2001. This will include all agricultural commodities including wheat, rice, vegetables and milk products. The tariff bindings for some of these items will be low as per the WTO requirements.

What this means is that there will be a flood of goods into India which will out price the agricultural commodities produced by Indian farmers and threaten their livelihood. Indian agriculture itself will undergo a major transformation with food security being threatened and self-reliance in food production being destroyed.

India and the developing countries possess a majority of the world's genetic resources, but over 95 per cent of the patents are held by the rich countries. The agreement on intellectual property rights (TRIPs) allows patenting of life forms. The US is pressing for a system much more vigorous than what exists in the WTO agreement; it wants included all life forms that are genetically modified. The patenting of plant varieties will endanger the bio-diversity of all countries and the rights of local people to these resources. The US is in the forefront of this campaign against the third world interests.

The threat to India's bio-diversity and biological resources by the American multinational corporations working in this area is already unfolding with the patenting of neem and the copyrighting of the use of the name Basmati. American companies like Monsanto and Cargill are already in business in India in seeds and running research farms. The pressure to dilute land ceiling laws originates from the entry of these agri-business firms.

The US is the prime mover in the WTO to include social and environmental clauses. This will mean that minimum labour standards will have to be met otherwise goods from those countries will attract sanctions in the form of import barriers. This is a form of protectionism of the interests of the rich countries and is not motivated by any genuine concern for the conditions of workers in third world countries.

Web of Bribery and Subversion

The US corporations will not come to India merely to do business. They will make it their business to influence and interfere in the government and politics of the country. The notorious role of how these corporations bribe and suborn politicians of the ruling classes is well documented in the Lockheed Corporation's bribery of top Japanese politicians. More sinister was their role in Chile in toppling the Allende government in 1973. Commenting on President Nixon's order in 1970 to the then CIA Director Helms to prevent Allende taking office, Bob Woodward the US journalist, comments: "The key to the order was Nixon's relationship to Donald Kendall, chairman and chief executive officer of Pepsico which had a Pepsi-Cola bottling plant in Chile.....The anti-Allende operation was essentially a business decision; Kendall and other US firms didn't want a Marxist leader in Chile." (Bob Woodward, VEIL: the Secret Wars of the CIA, 1981-87)

Whether it be the Enron Corp (one of its directors is the ex-US ambassador to India, Frank Wisner) or, the Betchel Corporation, US big business is interlocked with the State, military and the CIA.

An example of how American corporations operate to corrupt the governments and ruling establishments is offered by the Enron operations in India. According to one of its executives, Linda Powers, who testified before the US Senate, the Enron spent \$ 20 million for "educational expenses" to facilitate the agreement to set up the Dabhol plant. This small investment in "educational expenses" is paying rich dividends. For each paisa of excess tariff charged by Enron for the Dabhol power, it earns an extra amounting to Rs. 5.5 crores per year for Phase I, going up to Rs 18 crores per year for Phase II. According to Vivek Montiero, the illegal earnings by Enron in Phase I, it will go up to Rs 800 crores per year and go up to Rs 2000 plus crores after Phase II is commissioned.

The BJP reared on virulent anti-Communism has no qualms about open identification with the US ideological interests. That is why the BJP-led government has taken a brazen and shocking decision to join the "Community of Democracies" sponsored by the State Department of the USA. This announcement was made after Jaswant Singh met Madeleine Albright in Singapore in July 1998. The Vajpayee government has now joined the select group of US client states from Latin America and Eastern Europe to sing the praises of the American version of "democracy" and "free markets". India is to be one of the eleven core members of this community. During the recent visit of the Indian Foreign Secretary to Washington in February in preparation for the Clinton visit, the proposed meeting of the Community of Democracies to be held in Poland in June this year was discussed.

This platform was first mooted by the US in Latin America so that the goals of US business and free market interests could be inculcated and consolidated in the "backyard" of the USA. For the US, the BJP seems an ideal partner in this ideological venture. But the Indian people have been given no information by the government. The hush-hush manner in which the BJP-led government has been drawn into this dubious American game needs a full explanation from the Foreign Minister.

No to Clinton's Agenda

Clinton will bring his own agenda for India, an agenda which is shaped by the interests of American big business and the ruling establishment. He will demand that India sign the CTBT, stop development of missile technology, discuss Kashmir with Pakistan under US auspices, open up further for American companies and liberalise imports for American goods. He will press that India accept more stringent provisions under the WTO regime, including labour and environmental standards. He will offer closer military and security collaboration. Any concessions offered will be subject to the Vajpayee government accepting the role of a junior partner in a strategic alliance.

Vajpayee has no right to barter away the country's interests. There can be no strategic partnership with the United States on these terms. President Clinton must be firmly told that his agenda is not acceptable and he is not welcome to come to push this agenda.

President Clinton must get this message loud and clear when he comes to India: the Indian people are not prepared to surrender their hard-won independence and sovereignty. India is determined to develop its economic, scientific and technological resources without being dictated to by the United States and other imperialist powers. Friendship and cooperation with the USA can only be on the basis of equality and mutual and reciprocal interests. There can be no relations of dominance and subservience of superpower arrogance and interference in India's internal affairs.

The anti-imperialist charter of the Indian people must be the basis for a powerful manifestation of India's patriotic sentiments. Clinton has to be told: India is not for the sale!

The people of India present the following anti-imperialist charter to Clinton on his visit:-

- The US administration should immediately withdraw all sanctions against India; restrictions on dual-purpose technology being exported to India should be lifted forthwith.
- The US should stop using the IMF, World Bank and the WTO for its selfish interests in favour of its multinational corporations and banks.

- The US should stop coercing India to liberalise imports particularly in the agricultural sector. The
 agreement with the US government to lift all quantitative restrictions on imports by April 2001 should
 be annulled.
- The US should immediately lift all curbs on the legitimate flow of skilled Indian personnel and professionals to the US.
- The US government should stop efforts to block compulsory licensing of essential drugs in developing countries which will affect the Indian people badly.
- The US should stop demanding that the WTO make the TRIPS and TRIMS agreement more stringent
 which will work against India and the third world. The US and the rich countries should stop
 pressurising for a multilateral agreement on investments (MAI) which would prohibit all regulations
 on foreign investments in any country.
- The US agri-business corporations like Monsanto, Cargill and others should be prohibited from buying/leasing land in India for their operations.
- Immediately cancel all counter-guarantees to Enron and other MNCs in the power sector.
- Prohibit the sale of shares of public sector units to foreign companies and foreign financial institutions.
- The US should stop pressurising India to sign the CTBT and instead commit to complete nuclear disarmament and adopt a timeframe alongwith other nuclear weapon powers for the elimination of all existing nuclear stockpiles.
- The Indo-US military cooperation agreement signed in 1995 should be scrapped. The Vajpayee government should not accept any programme under the American International Military Exchange Programme.
- The US should remove all nuclear weapons from Diego Garcia and close down its military base there. The Diego Garcia is an island in the Indian Ocean which is within striking range of India.
- The US should stop interfering in the Kashmir issue. It is a bilateral issue between India and Pakistan.
- The Federal Bureau of Investigation, which is the internal security organisation of the US, should not be allowed to open its office in India as contemplated by the Vajpayee government.
- The US should stop the blockade of Cuba and lift all embargoes on trade, economic relations and travel.
- The US should stop using the United Nations for continuing with sanctions on Iraq. It should respect Iraq's territorial integrity and withdraw all aggressive measures.
- The US-led NATO should get out of Kosovo and let the UN negotiate the issue with the Federal Republic of Yugoslavia
- The US should come out with a solemn pledge that it will not violate the sovereignty of any country, contravening international laws and norms on the pretext of human rights or countering terrorism.
 The new NATO doctrine advocating global intervention should be rescinded.