

इस बात की तरफ जरूर ध्यान देती है कि जिन राज्यों में टेलीफोन इंडस्ट्रीज नहीं है, जैसे कर्नाटक में है, श्रीनगर में है, इन राज्यों को छोड़कर दूसरे राज्यों में उसे स्थापित किया जाये, दूसरे राज्यों का ख्याल रखा जाता है लेकिन इस के साथ साथ वहां पानी, पावर और दूसरी चीजों की एवैलिबिलिटी भी हो इस को भी देखा जाता है और दूसरी चीजों के साथ वहां की बैकवर्डनेस का भी ध्यान रखा जाता है ।

SHRI SANTOSH KUMAR SAHU: May I know from the hon. Minister whether a high-powered Committee, consisting of the then Secretary, Communication, Mr. Dave visited Orissa and they wrote to the Government of Orissa to give an area of 100 to 200 acres for installation of telephone industry? Orissa Government agreed to it. And then, it has been lying there for such a long period. Will the Minister consider kindly the plan for switching over the installation to electronic system and in future, if there is any such plan for the development of telecommunication, whether the Government will honour its commitment for installing a telephone industry in the State of Orissa?

SHRI V. N. GADGIL: As far as our assurance is concerned, it was a tentative decision and the Orissa Government was informed that the decision will be confirmed subsequently. But thereafter, the Government decided that in view of the technology which was to be hereafter Indian technology—and no foreign technology—the expansion will take place in Rae Bareilly and no new factory will be set up. As far as the other part is concerned it is the experts who decide as to location of the factory, and they take into account all factors, including the backwardness of a State.

SHRI GHULAM RASOOL MATTO: Telephone industry in Srinagar was set up at the time when Mr. Bahuguna was the Communication Minister. This industry was set up in 1975 at a cost of only a few lakhs of rupees. It is 1983

now and the investment in that particular factory remains the same; it is like a small-scale factory. In the current year's budget, 1983-84, there is a provision for Rs. 44 crores for ITI alone. New projects are being set up in U.P. I do not grudge it; one is in Rae Bareilly and the other in Gonda. I would only request the hon. Minister if in view of the climatic conditions which are suited such industry in Kashmir, will he consider this industry of Srinagar to bring it at par with other big factories being set up in U.P.

SHRI VIJAY N. PATIL: At Srinagar, the factory is manufacturing telephone instruments. Last year, it manufactured about 63 lakhs of telephone instruments. Whatever suggestions the hon. Member has made, will certainly be put up before the Experts Committee for consideration.

श्रीमती प्रेमोलाबाई दाजीसाहेब चव्हाण) : क्या मंत्री महोदय यह बताने की कृपा करेंगे कि पिछले कुछ सालों के पीछे महाराष्ट्र में एक बड़ी टेलीफोन इंडस्ट्री स्थापित करने की सुविधा दी गई थी तो उसके बारे में अगले कुछ वर्षों में कुछ विकास होगा कि नहीं ?

श्री विजय एन० पाटिल : महाराष्ट्र में टेलीफोन डिपार्टमेंट की एक धुलिया में फैक्ट्री है जो अभी कंसिडरेशन की स्टेज पर है ।

Excess production of goods by foreign companies reserved for the small scale sector

*187. **SHRI BISWA GOSWAMI:†**
DR. SHANTI G. PATEL:

Will the Minister of **CHEMICALS AND FERTILIZERS** be pleased to state:

(a) whether it is a fact that the Bhatt Committee on Small Scale Sector has mentioned that foreign companies and their subsidiaries are over producing goods reserved for Small Scale Sector;

†The question was actually asked on the floor of the house by Shri Biswa Goswami.

(b) whether the Hathi Committee had also made similar observation; and

(c) if so, what is the present position and the steps taken by Government in this regard?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VASANT SATHE): (a) and (b) No, Sir.

(c) Once an item is reserved for exclusive manufacture in the small scale sector, no new unit in the large/medium scale is licensed to manufacture that item except in cases where the unit undertakes to export at least 75 per cent of its total production. The benefit of recognition of installed capacities on the basis of balanced line capacity is not available to large undertakings for items reserved for small scale industries, nor is re-endorsement under the April, 82 and April, 83 press notes available to any unit for an item reserved for the small scale sector.

SHRI BISWA GOSWAMI: Sir, the reply of the hon. Minister is not correct. The Hathi Committee has pointed out that large number of drugs are being manufactured by multi-nationals and it has said that these can be easily manufactured by the small scale industry. Sir, I would like to mention, in this connection, some of the drugs; Sentinivene, B.G. Phos, Phosphomin—these are the tonics—then, Menadex, Farradol; Vitamin preparations; Elixir Neagadin and some skin ointments. These are the drugs which are being manufactured by the multi-nationals. These are not life-saving drugs and these can be easily manufactured by the small scale industry. I would like to know from the hon. Minister whether it is not a fact that the Hathi Committee has recommended that these drugs which are not life-saving drugs and which are now being manufactured by the multi-nationals, can easily be manufactured by the small scale industry. In today's newspapers also, it has been reported; in 'The Hindustan times', it has been stated:

"Medicines listed in the title of Category IV, over which there is no price control now abound in every chemist's shop."

The multi-nationals, through their propaganda machinery, have flooded these drugs in the stores. These drugs can be manufactured by the small scale industry. I would like to know whether it is not a fact that these drugs can be manufactured by the small scale industry instead of giving the multi-nationals scope for manufacturing these drugs.

MR. CHAIRMAN: I think, there is a little confusion between drugs and formulations. The formulations cannot be manufactured if they are under the name of a company and under their special formulations. I do not know which the hon. Member wants to know, about drugs or about formulations.

SHRI BISWA GOSWAMI: About drugs.

MR. CHAIRMAN: He named several formulations.

SHRI VASANT SATHE: I think, the question is, what are the drugs reserved for the small scale sector and whether any multi-national or big Indian company or even a middle-sized company was allowed to manufacture those drugs. That is the main question. As far as other categories of medicines are concerned, which may be drugs or tonics or otherwise, they are not reserved, they will not fall under this. I will read out the list of those drugs which are reserved for small scale sector. Paracetamol was reserved on 26.4.1970 Glycerophosphoric Acid was reserved on 26.4.1970.

MR. CHAIRMAN: The date does not matter.

SHRI VASANT SATHE: That will be relevant later because before that date there was no reservation and now the question will arise as to what you have done after that. That is why I am giving the dates.

Aluminium Hydroxide Gel was reserved on 26.4.1970. Nicotinic Acid and Niacinamide was reserved on 19.10.1982. Halogenated Hydroxyquinolines was reserved on 12.5.1980. Calcium Gluconate was reserved on 19.10.1982, Methyl salicylate on 12.5.1980, Pyrozolone on 19.2.1974, Parabens (Methyl, Ethyl Propyl) on 19.10.1982 and Benzyl Benzoate

was reserved on 26.4.1978. These are the only drugs up till today which have been reserved for the small scale sector. That is the question.

SHRI BISWA GOSWAMI: In view of the recommendations of the Hathi Committee will the Government revise the list of the already reserved drugs to be manufactured by the small scale sector?

SHRI VASANT SATHE: The suggestion is noted.

SHRI A. G. KULKARNI: Sir, I am quoting for the information of the hon. Minister from a study made by the Indian Institute of Public Administration where the production of 1700 companies was computerised. I stand to correction because the Minister himself is saying all these things. It has been mentioned that the multinationals particularly are misusing the capacities and over-capacities which have recently been delicensed by the Government. In fact, the definition of 'drugs' is given in a somewhat wrong manner. Perhaps Mr. Sathe also knows that 'drug' means drugs and their formulations, pesticides and their formulations. So, there is a vast potential in the meaning of the word 'drug' which the Hathi Committee has brought out. They say that more than 200 per cent licensing capacity is utilized by the companies like Hindustan Lever, Sandoz—a FERA company—Union Carbide, Glaxo, Boeringer Knoll, Bayer. There are many other names. This is given on page 174. On page 114 it is stated—it is rather obnoxious to say—that the multinationals are going away and the Minister is defending here that nobody has gone. Here is the list of companies producing more than double to four times licensed capacity of the products reserved for small scale sector. This is a computerised study, Mr. Sathe, and here it says:

Hindustan Lever	Soaps.
Morrison	Medicated toothpaste
Barium Chemicals	Barium Carbonates.

I can multiply the instances. So, Mr. Sathe, in all humility I want to ask you

one thing. In all humiliation, I want to ask, because you are God. Now whether you agree or not, and if you don't agree, God help you...

MR. CHAIRMAN: Does not matter.

श्री योगेन्द्र शर्मा : विनम्रता के साथ ।

SHRI A. G. KULKARNI: You are right. विनम्रता के साथ For heaven's sake, in formulations, pesticides, drugs etc. the small scale sector has been found to be at the mercy of FERA and multi-national companies. Your giving the stock reply has no meaning because the study has very much highlighted the misdeeds of these FERA and multi-national companies. So would you take steps? That is all. Otherwise you say you accept every thing.

SHRI VISHVAJIT PRITHVIJIT SINGH: Mr. Sathe has nothing to do with tooth paste.

SHRI VASANT SATHE: I agree that my hon. friend, Shri Kulkarni, is habituated to humiliation. That is why...

MR. CHAIRMAN: Humility does not last long.

SHRI VASANT SATHE: Therefore, he cannot be guilty of humility.

SHRI A. G. KULKARNI: I did not follow what he said. Then I will reply again.

SHRI VASANT SATHE: Sir, the information given by the learned Member from the learned volume which he was reading, I am thankful to him and compliment him for his learning, but, Sir, unfortunately, that does not arise out of the question; it has nothing to do with it. I do not know what tooth paste has got to do with the reserved list of the drugs.

MR. CHAIRMAN: That is a formulation from him.

SHRI VASANT SATHE: He can go on formulating anything.

SHRI A. G. KULKARNI: Sir, do not cut a joke. "Drug" means drugs, formulations and formulations include pesticides also.

MR. CHAIRMAN: I see.

SHRI A. G. KULKARNI: Why not, Sir?

MR. CHAIRMAN: What has tooth paste got to do with it?

SHRI A. G. KULKARNI: The Hathi Committee has considered this. Whether it was wrong or not the report is there.

SHRI VASANT SATHE: Hathi Committee has not talked of tooth paste.

MR. CHAIRMAN: Mr. Kulkarni, what has tooth paste got to do with life-saving drugs?

SHRI VASANT SATHE: Sir, I was a member of the Hathi Committee. Hathi Committee was dealing with drugs and formulations. Our friend, Dr. Siddhu, knows it very well. Therefore, my friend has just gone off the tangent to tooth paste, and all the formulations of his ideas he wants to mention also in drugs. I cannot be responsible for all his formulations.

MR. CHAIRMAN: He may bring in booth polish also. Come on Dr. Siddhu.

DR. M. M. S. SIDDHU: Sir, the hon. Minister has given us a list of drugs which are reserved for small scale. I would like to bring to his notice, for instance he read out Paracetamol, Crocin is manufactured Paracetamol. Secondly, Sir, he said about Calcium Gluconate as being in the list. In the reply to Question No. 191, it has been stated that Calcium Gluconate is being manufactured by Sandoz.

MR. CHAIRMAN: It is nothing but chocolate and calcium.

DR. M. M. S. SIDDHU: These are the two instances which have just come to my notice. So will he please verify it and find out whether the multi-nationals specially are still manufacturing them?

MR. CHAIRMAN: That is a very pertinent question. You look into it.

SHRI VASANT SATHE: Yes, Sir. I am answering it. I have verified. Paracetamol is being manufactured by Burroughs Wellcome. They are manufacturing it in excess of their licensed capacity. That is why I said the date became relevant.

They have been doing it since before it was brought in the reserved list. They have approached us for regularisation of their excess capacity and we have not agreed to do it. So this is about one item.

In the case of Calcium Gluconate also

DR. RAFIQ ZAKARIA: Why not ban it?

SHRI VASANT SATHE:...it was brought in the reserved list in 1982. Again Sandoz have applied for regularisation of the excess capacity. We have not yet allowed it. So, we are going to take into consideration all these excess capacities by the bigger companies—whether FERA or otherwise—of those items which are reserved for the small-scale industry.

DR. M. M. S. SIDDHU: Please look into it.

DR. RAFIQ ZAKARIA: Sir, from the reply of the hon. Minister, a situation has arisen that while those big companies which are manufacturing these products—which he has just now read out as being reserved for the small-scale sector—before the particular date if they were manufacturing them, then apparently they will continue to manufacture them excepting that they cannot do so if it is in excess.

MR. CHAIRMAN: No, no. They want regularisation.

DR. RAFIQ ZAKARIA: No, no, Sir. They want regularisation if it is in excess of their capacity, but within the capacity which they already have, they could continue to do so. If that is so, which small-scale unit would ever be able to compete with these products? The only solution, to my mind, is that you must, therefore, ban all these big units even if they were manufacturing them before, if they are products which are reserved for the small-scale sector. Will the Minister kindly clarify this?

SHRI A. G. KULKARNI: Please see (a). It is the Bhatt Committee Report.

SHRI VASANT SATHE: As it stands today, there is no provision for banning or taking any action. I am awaiting the amendment of the IDR Act. When that

happens, then, as the administrative Ministry we will have the power...

DR. RAFIQ ZAKARIA: Let the Government declare its policy.

SHRI VASANT SATHE: I have just now said that we have not regularised. We are not agreeing to that but, what is there within our power we are doing, within the framework of the law. But further... (Interruptions)... I note your point, and your strong feelings will be taken into consideration. But, Sir, we must be armed with some powers to take penal action of banning, etc.

MR. CHAIRMAN: I think that is enough.

Classification of high technology of bulk drugs...

*188. DR. LOKESH CHANDRA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to refer to the answer to Unstarred Question 1409 given in the Rajya Sabha on the 14th March, 1983 and state:

(a) whether it is a fact that the classification of high technology in respect of Trimethoprim, Ethoheptazine Citrate, Dexamethasone and Magestrol as involving high technology is a clear cut case of irregularities by the Committee on High Technology; and

(b) whether Government are satisfied regarding the classification of four bulk drugs which are being produced by foreign companies not only from imported penultimate intermediates involving very high import content's?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VASANT SATHE): (a) and (b) A statement is laid on the Table of the House.

Statement

(a) No, Sir.

(b) There is no reason to believe that the classification of 3 bulk drugs viz. Trimethoprim, Dexamethasone and Magestrol Acetate as involving high technology done by the High Level Committee was wrong though these drugs are being produced at present from intermediate stages. For Ethoheptazine Citrate, the starting raw materials are Dimethyl amthoethanol, Benzyl Cynaide etc. The technology was categorised as high if the manufacture takes place using above chemicals. The import content in these 4 drugs as indicated by the concerned companies to the High Level Committee for the years 1977-78 and the available c.i.f. prices of bulk drugs during that year was as follows:—

Sl. No.	Name of drug	Import content (Rs./Kg. cif)	Import price of b. d. (Rs. Kg. cif)
1.	Trimethoprim	481.90	529.83
2.	Ethoheptazine Citrate	45.00	—
3.	Dexamethasone	25682.00	31960.00
4.	Magestrol Acetate	827.00	—

Whether the connected intermediates are being imported by the concerned companies from their principals and associates has been verified in case of Trimethoprim & Dexamethopone

DR. LOKESH CHANDRA: Sir, from the reply given by the hon. Minister, it

appears that there is a preference for the multinationals as opposed to the indigenous sector. In his reply the Minister has stated, in the specific instance of Trimethoprim, that the import content is Rs. 482. However, in the indigenous sector, the import content of Trimethoprim is Rs.