

(Transport Wing), under sub-section (3) of section 458 of the Merchant Shipping Act, 1958 :

(i) Notification G.S.R. No. 444, dated the 19th April, 1974, publishing the National Welfare Board for Seafares (Amendment) Rules, 1974.

(ii) Notification G.S.R. No. 516, dated the 14th May, 1974, publishing the Merchant Shipping (Prevention of Pollution of the Sea by Oil) Rules, 1974.

1974. [Placed in Library. See No. LT-8073/74 for (i) and (ii)].

#### I. Finance Accounts (1972-73 of the Union Government

#### II. Notification under the Customs Act, 1962 and Related Paper

#### III. Ministry of Finance (Department of Revenue and Insurance) Notification

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHTAGI) : Sir, I beg to lay on the Table :

I. A copy of the Finance Accounts of the Union Government for the year 1972-73, under clause (1) of article 151 of the Constitution. [Placed in Library See No. LT-8015/74]

II. A copy (in English and Hindi) of the Ministry of Finance (Department of Revenue and Insurance) Notification G.S.R. No. 325(E), dated the 22nd July, 1974, together with an Explanatory Memorandum thereon, under section 159 of the Customs Act, 1962. [Placed in Library. See No. LT-8029/74].

III. A copy (in English and Hindi) of the Ministry of Finance (Department of Revenue and Insurance) Notification G.S.R. No. 326-E, dated the 22nd July, 1974. [Placed in Library. See No. LT-8030/74].

### REPORT OF THE RAILWAY

#### CONVENTION COMMITTEE, 1973

SHRI YOGENDRA MAKWANA (Gujarat) : Sir, I lay on the Table a copy of the First Report of the Railway Convention Committee, 1973 on action taken by Government on the recommendations contained in the Interim Report of the Committee. [Placed in Library. See No. LT-8020/74].

### CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

#### Reported Proposal to Grant Increase in the Prices of Some Essential Drugs

SHRI LOKANATH MISRA (Orissa) : Sir, I beg to call the attention of the Minister of Petroleum and Chemicals to the reported proposal of the Government to grant increase in the prices of some of the essential drugs.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAH NAWAZ KHAN) : Sir, the prices of drugs are statutorily controlled, under the Essential Commodities Act. The detailed provisions in this regard are given in the Drugs (Prices Control) Order, 1970. The price structure of 17 bulk drugs was examined by the Tariff Commission and after considering the recommendations of the Commission, the Drugs (Prices Control) Order, 1970 was issued and the prices of those 17 bulk drugs were fixed and prices of other bulk drugs were frozen. The Order indicates the elements to be considered and the procedure to be followed in fixing/ revising the prices of drug formulations. The prices of bulk drugs are revised after the necessary cost investigation. Applications for fixation/revision of prices of drugs are submitted by various companies from time to time and are disposed of in accordance with the provisions of the Order.

The cost investigation of another 23 bulk drugs and Gelatine capsules was entrusted in 1970 to a Working Group under the Chairman of Bureau of Industrial Costs and Prices and on consideration of the Group's report and taking into account the cost escalations which had occurred upto December, 1973 as worked out by the Bureau, the revised prices of those 23 bulk drugs and Gelatine Capsules were fixed with effect from 19-4-1974. In this connection a statement was laid on the Table of the Rajya Sabha on 24-4-1974.

In view of the increases which have occurred in the last few months in the costs of various raw materials and packing materials, the Bureau which has been entrusted with the work of screening the applications for fixation/revision of drug prices with effect from 1-1-1974 received an unusually large number of applications. At the same time it is necessary to ensure expeditious disposal of these applications so that the production and availability of drugs may not be adversely affected. In order to consider and resolve the problems of the industry that may arise from time to time, periodical meetings are held by the Ministry with representatives of the industry.

The drug manufacturing units whose sales turnover does not exceed Rs. 50 lakhs per annum have recently been exempted from the requirement of obtaining approval of Government for fixing/revising their prices. These smaller companies, however, account for only about 25 per cent of the drug production in the country. As a result the Bureau is now in a position to concentrate on the price applications of the larger companies and to deal with them expeditiously.

In order to avoid any shortfall in production of drugs, it has further been decided that pending final disposal of the price applications, interim price revisions will be granted on account of the major elements of cost.

**SHRI LOKANATH MISRA :** I wonder whether you have understood anything out of the statement made by the hon. Minister, Mr. Shah Nawaz Khan. Anyway, I have not been able to follow what he has indicated in his statement and how he justifies the stand of the Government. Now, Sir, I have some points. I hope the hon. Minister will give some relevant and categorical answers to the questions that I put. No. 1, may I know whether it is not a fact that in the field of drug manufacture the Government has not been able to have any control on standards? No. 2, may I know whether it is not a fact that about 1,000 drug manufacturers do not have any pharmacists or chemists to assist in the manufacture of drugs, much less maintain the standard of drugs? No. 3, may I know whether it is not a fact that out of about 2,500 drug manufactures, more than 1,000 do not at all come under the control of price of essential drugs? Kindly note these down, so that it will be easier for you to reply to these questions because these are very relevant. May I know whether the Committee on Drugs which was set up, may be by his Ministry or may be by the Ministry of Dr. Karan Singh—I do not know who has how much of the empire—by the Government did not recommend that each and every manufacturer, whether in the small sector, medium sector, or in the large sector, should at least have one assistant to supervise the production of these life-saving drugs, be he a chemist or a pharmacist? And they did not have even one. And it is a Committee set up by the Government that made this recommendation. Now, it is very unfortunate that in this country we have not been able to standardise even the life-saving drugs. I do not know who is responsible for this. Many things are said many times on the floor of the House regarding the reasons why it is not done. But the fact remains that it is not being done. People who sell to the tune of Rs. 50 lakhs worth of drugs annually are not subjected to this control. They can have a price-hike as they choose and very often there have been complaints

[Shri Lokanath Misra.]

here on the floor of this House that there are abnormal price-hikes in the field of drugs and life-saving drugs, and the Government is only an on-looker. Government cannot interfere in anything even though they have got dictatorial powers so far as essential drugs are concerned. It is also a fact—it has been brought to my notice—that foreign firms like Pfizer, Cyanamid and Sandoz who are members of the organisations of the pharmaceutical producers of India brought pressure on the Government to use the Drug Price Control Order as a lever to curb the Indian drug industry. On the prices that are allowed to the Indian drug manufacturers, the foreign manufacturers get an advantage all the time. What are the reasons for this? I have a brief here which goes to say that it is a fact that in many cases drugs of foreign firms have been approved for a higher price while similar products of Indian firms are approved for lower prices. Government should lay on the Table of the House the cases where such anomalies in prices exist. I would demand that they should lay on the Table of the House wherever there is any discrepancy in the prices so far as the indigenous manufacturers *vis-a-vis* the foreign manufacturers are concerned.

Sir, the manufacturers have been holding talks with the Government for some time and the president of their association now claims that they have almost had the approval of the Government for a price-hike between 15 and 35 per cent in many of the essential drugs. What would be the attitude of the Government so far as penicillin is concerned, which is manufactured in the private sector. Would they also raise their prices? If you do not have to raise the price of penicillin which is manufactured in the public sector, what is the reason that should enable the private sector drug manufacturers to raise the prices with Government's permission?

MR. DEPUTY CHAIRMAN : Mr. Misra, please wind up.

SHRI LOKANATH MISRA : This is an important matter. I do not get up on other matters.

MR. DEPUTY CHAIRMAN : I know, but there is some kind of equity which you have to maintain.

SHRI LOKANATH MISRA : If you want equity, I will sit down. I do not want to impinge upon anybody's time.

MR. DEPUTY CHAIRMAN : That is not good. You have taken some time.

SHRI LOKANATH MISRA : What I would like the hon. Minister to reply to is whether in the drug industry the profit percentage that was allowed between 1970 and 1973 was not higher than in any other sector. Shall I repeat it? Is it not a fact that the percentage of profits that were allowed to the manufacturers in the drug industry were not higher than in many other sectors of industry in India; if so, whether there was not sufficient cushion for any rise in the raw material prices in the meantime? If that is so, why is the Government now being compelled to allow a higher price to the drug industry?

SHRI SHAH NAWAZ KHAN : Sir, my hon'ble friend, Shri Lokanath Misra, very rightly wanted to know what quality control is being exercised over the drug manufacturing units. Sir, at the very outset I would like to submit that the quality control aspect is being dealt with by the Ministry of Health. They have a very elaborate arrangement under which the Drug Controller of the Centre exercises control over the drug industry in the States through the States' Drug Controllers. They have been carrying out continuous checks ever since the unfortunate happening . . .

SHRI LOKANATH MISRA : I do not want any vague answer. I want to know whether it is not a fact that a committee set up by the Government has itself said that out of 1,500 manufacturing units 1,000 do not even have the assistance of a chemist or a pharmacist. I do not want to

know what the other Ministry is doing or not. It is their job to explain their conduct. You cannot safeguard their interest.

**SHRI SHAH NAWAZ KHAN :** As the House is aware, a Committee under the chairmanship of Shri Hathi has been set up in February 1974. That Committee was especially asked to report as soon as they could on the quality control aspect. They have already submitted their report. Their recommendation is under the consideration of the Government and appropriate action will be taken.

**SHRI LOKANATH MISRA :** I have been asking whether this is not one of the points recommended by the Hathi Committee.

**SHRI SHAH NAWAZ KHAN :** They have made a number of recommendations.

**SHRI LOKANATH MISRA :** He might have made a world of recommendations. I am not concerned with them.

**MR. DEPUTY CHAIRMAN :** He accepts.

**SHRI LOKANATH MISRA :** Let him say categorically. Or what else are we here for ? Do I just put a question and get away ? I have to get a reply from the Minister or else my question is futile.

**SHRI SHAH NAWAZ KHAN :** The Committee has submitted a report to the Government on all these aspects, and that report is under consideration. It is inadequate staff, inadequate supervision. That is one of the aspects which they have looked into and made recommendations.

**SHRI LOKANATH MISRA :** Let him say whether my figures are correct or not.

**MR. DEPUTY CHAIRMAN :** He is still answering.

**SHRI LOKANATH MISRA :** It is as vague as the Minister himself. I cannot accept such a reply.

**SHRI SHAH NAWAZ KHAN :** They have made recommendations—inadequate staff and inadequate supervision in these units. Particularly that is one of the points that is being examined by the Government.

**MR. DEPUTY CHAIRMAN :** He has accepted your contention. They are considering the report.

**SHRI LOKANATH MISRA :** I do not dispute their authority to consider the report; they have absolute authority.

**SHRI CHANDRA SHEKHAR (Uttar Pradesh) :** Mr. Deputy Chairman, the point is he is quoting something from a report which the Government has not published. Since the Government has not published it the hon'ble Minister cannot be made to verify whether it is a fact or not. This is not the way to divulge a report.

**SHRI LOKANATH MISRA :** Mr. Chandra Shekhar, I am giving him a benefit which he has not got. I want him to take the credit of publicising the report.

**MR. DEPUTY CHAIRMAN :** He has said that that is one of the things which the Committee has mentioned.

**SHRI SHAH NAWAZ KHAN :** As I said, the report of the Hathi Committee on this particular aspect has been received and it is under the consideration of the Government. And at this stage, I would not like to go into any great detail about it. But quality control is a subject on which the Government is laying a great deal of emphasis. That is all I can say at the moment. Mr. Lokanath Misra said that about 1,000 units do not come under the Drugs Prices Control Order of the Government. That is so, Sir. The fact is that recently, by an order, the Government has exempted from the operation of the Drugs Price Control Order all units with a turnover of less than Rs. 50 lakhs.

**SHRI RABI RAY (Orissa) :** Why ?

**SHRI SHAH NAWAZ KHAN :** The reason is, I would like to explain the procedure. Wherever any units wish to ask for an increase in the prices of drugs, they apply to the Bureau of Industrial Costs and Prices. The Bureau considers all aspects and then it decides on how much price increase, if any, is to be allowed. The number of applications received was so large that it took the Bureau an inordinately long time to come to any decision. In all, there are about 2,300 units in this drug and pharmaceutical line.

**SHRI LOKANATH MISRA :** Does it mean that they can raise the price to any extent?

**SHRI SHAH NAWAZ KHAN :** Out of 2,300 units in this field, only about 114 units come under the purview of the Drugs Price Control Order. Now this seems to be a very extraordinary situation that out of 2,300 units, only 114 should come under this order. The reason is that these 114 units control about 80 per cent of the drug production in the country. Now if we can control the price of 80 per cent of the drugs in this country, then we can exercise suitable control, and it also gives a chance to the Bureau of Industrial Costs and Prices to scrutinise the applications well in time and to issue instructions so that the relief comes in time and the country is not starved of these life-saving drugs.

**SHRI LOKANATH MISRA :** Just one point. Does it come under family planning to kill people with the rest 20 per cent of the medicines?

**SHRI CHANDRA SHEKHAR :** He is talking about prices only.

**SHRI LOKANATH MISRA :** There is no control on standards. There is no control on the prices of 20 per cent of the drugs. Does the Government want to kill people with these 20 per cent of the drugs? Does it come under family planning?

**SHRI SHAH NAWAZ KHAN :** Every drug manufacturer in this country has to conform to certain fixed standards and those standards are very rigidly enforced.

My hon. friend said that the foreign firms had forced the Government to cripple the Indian industry. Nothing can be farther from the truth. I can assure him that there is no discrimination whatsoever in fixing the prices of any bulk drugs or formulations manufactured either by the foreign firms or by the Indian firms. The Bureau has to go by certain fixed norms and data and they apply equally to all sectors of the industry.

**SHRI LOKANATH MISRA :** This is something very important. When you take any medicine, you do not know whether it belongs to the other 20 per cent. Sir, I would request you...

**SHRI CHANDRA SHEKHAR :** He is talking about price control, not about quality control.

**SHRI LOKANATH MISRA :** He talked about both.

**SHRI NIREN GHOSH (West Bengal) :** The Bureau gave a formula, and they undid that formula.

**MR. DEPUTY CHAIRMAN :** Let him complete the answer.

**SHRI CHANDRA SHEKHAR :** Mr. Kulkarni says that I should take the brief. It is a matter of commonsense that drug control is under the Health Ministry. It is supervised by the Drug Controllers in the States and these Drug Controllers control the quality in all the manufacturing units.

**SHRI A. G. KULKARNI (Maharashtra) :** What Mr. Lokanath Misra has submitted is entirely different. He is not asking about the implementation of the Drug Control Order. What he is asking is, what is the position of standardisation of the remaining 20 per cent of the drugs and he wants to know whether the people are to be killed because of that. No interpretation is forthcoming about that. Mr. Chandra Shekhar, you may explain if you want to. I do not mind.

SHRI CHANDRA SHEKHAR: If the Chair permits I can explain. You are totally wrong. You cannot ask anything from any Minister. It is just nonsensical to ask anything from anybody.

SHRI A. G. KULKARNI: What is nonsensical? After all it is...

MR. DEPUTY CHAIRMAN: Mr. Kulkarni, please take your seat now.

SHRI MAHAVIR TYAGI (Uttar Pradesh): Has it come to the notice of...

MR. DEPUTY CHAIRMAN: Mr. Tyagi, the Minister has not completed his reply. Let him finish.

SHRI SHAH NAWAZ KHAN: I feel that very rigid quality control is enforced but as I said in the beginning this control is exercised by the Ministry of Health and not by our Ministry but it is absolutely wrong to say that the 20 per cent of the producers whose turnover is less than 50 lakhs are not subject to any quality control, standardisation or price control. That is not so because whatever price is fixed for the drugs of the 80 per cent of the manufacturers automatically that will apply to them also.

SHRI LOKANATH MISRA: How can that be? On a point of order, Sir.

SHRI SHAH NAWAZ KHAN: I am explaining.

MR. DEPUTY CHAIRMAN: Let him explain.

SHRI SHAH NAWAZ KHAN: If 20 per cent of them escalate their prices unduly while 80 per cent of the drugs are freely available in the country who will pay higher prices to these 20 per cent? That way there is indirect control.

SHRI SHYAMLAL GUPTA (Bihar): The Minister has not replied to the questions raised by Mr. Lokanath Misra and I am doubtful whether he will reply to my

question also. In the last 25 years to sale of drug has gone up from Rs. 10 crores to Rs. 350 crores and according to the Minister firms with a turnover of 50 lakhs and below are exempted from quality control and price control also.

SHRI SHAH NAWAZ KHAN: No, no; not from quality control but only price control.

SHRI SHYAMLAL GUPTA: My submission is that in Kanpur very recently the glucose was supplied by a small firm which will come under this category. That firm will be having a turnover of less than 50 lakhs. If such firms are exempted from price control and may be from quality mutations are fixed. I think that will clear to the mercy of such unscrupulous drug manufacturers. Many of the big firms and concerns may be having many subsidiaries whose turnover may be below 50 lakhs or nearabout 50 lakhs and the Government will be faced with a position of having no control over such firms.

Is the Minister aware that the cost of the medicines has no relevance to the prices charged? Sometimes the price may be 50 times the cost of production. The main expenses that constitute the price of a drug are promotion and advertisement. You might have seen half page advertisements in the paper on Anacin. The cost of production of Anacin must be very, very low as compared to its price prevailing in the market. Is it not a fact that at the moment in the States of U.P., M.P. and Bihar, hospitals are without any medicines? If the prices are increased and the pharmaceuticals are allowed to increase prices from 15 to 35 per cent, whatever drugs are available at the moment for the common people will be beyond their reach. Moreover, there is no point in increasing the prices. The Economic Times of today says that the chemical trade in the meanwhile continues to be in a bad shape with prices of base materials going down practically every day. When the prices of chemicals are going down

[Shri Shyamlal Gupta.]

every day, the STC is also burdened with hundreds of tonnes of chemicals which are base material for drugs. Where is then the justification or necessity in allowing drug manufacturers to increase the prices in the face of a downward trend in the prices of raw materials? Why should the drug manufacturers be allowed an increase in prices?

Moreover, is it not a fact that the package deal under the Price Control Order 1970 was a mischief by a former Joint Secretary who is now Chief Secretary of Orissa, to enable the multinational foreign firms to earn more and more profits from our country? For example, prices for M/S Bay and Baker's 'Flagel' are fixed at 32 paise per tablet while the same product of Gujarat Pharmaceuticals is priced at 14 paise per tablet. Why this difference? This anomaly continues in spite of several questions in Parliament. Similar anomalies are there and foreign multinational giants like Cynamide, Sandoz, Glaxo, Pfizer and John Wyth are making huge profits to the detriment of poor patients of our country. When they have already been given high prices for their drugs in 1970, what is the fun in increasing their prices now without changing the Price Control Order? Is it not a fact that M/S Cynamide have been given higher prices for their Tetracycline and salt products than those approved for other firms marketing Tetracyclines in our country? If so, how Government does not ask them to pay back the excess profits earned by them and repatriated to their country as was done by the British Monopolies Commission in the case of M/S Roche. I know this is not possible. In view of control of the foreign firms on 80 per cent turnover of drugs in our country, I strongly feel that there should be no price restriction on the Indian sector of industry. If you are going to raise prices, then you will not have any control on those with a turnover of Rs. 50 lakhs and less. But that is also wrong. Moreover, the Drugs Control Order is a big farce or an eye-wash, as in the last four years profits of foreign firms have increased tremendously. Pfizers which repatriated Rs. 40 lakhs in 1970, are at pre-

sent repatriating between 80 to 100 lakhs every year, after the Drugs Price Control Order. Foreign drug firms have great pulls and pressure on bureaucrats and it seems they have now developed their influence on politicians also. Otherwise there is no reason why there should be an increase in the prices of drugs. What was the reason . . .

MR. DEPUTY CHAIRMAN: Mr. Gupta, what is it that you are reading?

SHRI SHYAMLAL GUPTA: Just a minute, Sir. What was the reason for taking out the protein products of Pfizer Company from the purview of the Drug Control Order of 1970 although they got the industrial licence to produce the same drugs? Is it not a fact that the country has lost about Rs. 15 crores in foreign exchange during the last four years due to non-fixation of prices of these drugs which are concealed in the heavy propaganda by the medical representatives of these firms?

SHRI SHAH NAWAZ KHAN: Sir, I think it will facilitate matters if I explain how the prices of the bulk drugs and formulations are fixed. I think that will clear up a lot of doubts about this. The prices of the bulk drugs are fixed on the basis of calculations made by the Bureau of Industrial Costs and Prices and the Bureau takes into consideration the actual cost of production of the bulk drug which includes all elements like the cost of machinery, raw materials, wages, power used, fuel used, overheads and depreciation, etc. plus 15 per cent profit on the capital employed. Then, Sir, the prices of formulations are fixed like this: Now, formulations are medicines which are made from the bulk drugs.

SHRI NIREN GHOSH: Sir, we cannot follow one thing . . .

SHRI SHAH NAWAZ KHAN: The prices of formulations are fixed by taking into consideration the retail price of the material used, the conversion cost, packing charges, mark-up plus the excise duty. All these are taken into consideration.

**SHRI SHYAMLAL GUPTA :** *Plus* the marketing cost also?

**SHRI SHAH NAWAZ KHAN :** All these are included in the mark-up price. Mark-up is on the ex-factory price. The ex-factory price *plus* mark-up is what it can be sold at. This is known as the mark-up price and the mark-up includes all commissions to the retailers and the wholesalers, the freight and the publicity cost and all that. These are included in the mark-up. Sir, it is only after going through very elaborate processes and checking the facts at every stage that the prices of the drugs are fixed and if the honourable Members think that the industry is allowed to fix the prices in any way it likes, I think they are not properly informed.

**SHRI NIREN GHOSH :** Sir, we could not follow one thing.

**MR. DEPUTY CHAIRMAN :** What is it?

**SHRI NIREN GHOSH :** He has referred to the Bureau of Industrial Costs and Prices. They have recommended that 15 per cent of the equity capital or capital invested should be the maximum profit. Now, is it being adhered to or has that recommendation been turned down and it has been fixed at 16 per cent of gross sales?

**SHRI SHAH NAWAZ KHAN :** It is being fully adhered to and nothing is bypassed.

**SHRI SHYAMLAL GUPTA :** Sir, let him clarify it.

**MR. DEPUTY CHAIRMAN :** Just wait. He is still on his legs and he will clarify.

**SHRI SHAH NAWAZ KHAN :** Sir, the honourable Member has said that while the prices of the bulk drugs have gone down, the prices of formulations have gone up.

Sir, the House would remember that in March last, when I placed the Statement giving certain increases for the various

drugs, there were also drugs in that Statement the prices of which were reduced. For instance, in the case of Sulphaphenozol, there was a decrease in the price. Similarly, in the case of...

**SHRI SHYAMLAL GUPTA :** How much was the decrease? Two paise?

**SHRI SHAH NAWAZ KHAN :** It was decreased from Rs. 205.50 to Rs. 199.00.

**SHRI SHYAMLAL GUPTA :** Only Rs. 59

**SHRI SHAH NAWAZ KHAN :** Again, for Sulpha-Phenazole, from Rs. 123 it was reduced to Rs. 105. This is a big decrease. Then, for Sulpha Somidine Micro, from Rs. 173.30 it was reduced to Rs. 139. This is a very big decrease. The House would see that these increases were justified because many of the drugs are based on petroleum products, and when the prices of petroleum products have gone up so steeply, the prices of those drugs are bound to go up. But we have taken precaution to see that if the prices of any bulk drugs have come down then we have correspondingly reduced the prices. And all these matters are gone into very carefully by the Bureau of Industrial Costs & Prices, and its chairman is the chairman of the Committee and scrutinizes all these things very carefully. There is a committee constituted which is known as the Drugs Prices Review Committee, which has representatives of various Ministries, Ministry of Petroleum & Chemicals, Ministry of Health, DGT, Ministry of Industrial Development—all these are represented on the Committee which scrutinizes the prices, and therefore, Sir, to feel that foreign or indigenous companies can go in for any price hike whenever they like is not justified.

**SHRI SHYAMLAL GUPTA :** What is the position with regard to companies with less than 50 lakhs turnover?

**SHRI SHAH NAWAZ KHAN :** As I said, there is no price control over them. They can fix the price at any level they like...



SHRI SHYAMLAL GUPTA : Why don't you bring them also under control ?

SHRI NIREN GHOSH : He is misleading the House. Units have been complaining...

(Interruptions)

SHRI SHAH NAWAZ KHAN : Eighty per cent of drugs manufactured by drug companies come under control. And if we succeed in controlling 80 per cent of drugs, then the remaining 20 per cent will look after itself; they will also fall in line.

MR. DEPUTY CHAIRMAN : Mr. Subramanian Swamy.

SHRI SUBRAMANIAN SWAMY (Tamil Nadu) : I will not take more time than what the earlier speakers have taken. I sympathize with the Minister in some cases because, firstly different departments are involved and he is not in a position to hold a brief for the other Ministries. Secondly, there is a high mortality rate in this particular Ministry because the exit of Ministers has taken place whenever they speak anything against some of the drug companies as was the case with Triguna Sen. The central problem is that it has become more and more expensive to live either because food is not available or medicines which are necessary to make yourself live have also become extremely expensive, and the economics is working out to a point where it might be cheaper just not to go in for medicines at all.

Demand for drugs under this healthy Government has gone up by 20 per cent per year, whereas in most other countries there has been a move towards reduction. In India there has been a very sharp spurt in the demand for drugs. Now, I would like to ask to Minister, is it not correct that the public sector is woefully behind its responsibilities? For example, as against 350 crore worth of formulations produced two years back, the public sector enterprises have produced formulations worth 20 crores of rupees; it is a very small fraction. The prices of drugs which rose between 1962 and 1969 by only 5 per cent

has during the last five years increased by 185 per cent. This is the figure available with the consumer. Is it not also a fact that the grip of the foreign companies is progressively tightening of the drug market in the country? Is it not a fact that typically if you look at the balance-sheets of foreign companies producing drugs, with a subscribed capital of Rs. 4-1/2 crores only, you will find that they earn a profit of Rs. 3 crores, i.e. 650 per cent profit? Thirty eight foreign companies in this country control 50 per cent of the output. There are 2500 producing units in this country, but 38 foreign companies in this country control something like 80 to 90 per cent of it. Is it not a fact that with a total paid up capital of Rs. 44 crores, they repatriate Rs. 6 crores every year? On top of that, is it not a fact that foreign companies also indulge in cheating, plain cheating? For example, a year back or two years back, some of these companies decided to charge 50 to 60 per cent above the prices to which they agreed. The USAID agreed to finance some of these companies and they agreed on a particular price. But some of these foreign companies, instead of going by the agreed prices, ignored this. The Government of India did not know this till there was a furore in the US House of Representatives, and there it was stated that some of these foreign companies in India had overcharged to the tune of about Rs. 13.3 lakhs.

Then, is it not a fact that the Government is also engaged in profiteering. For instance, the State Trade Corporation is making 200 to 300 per cent profit and is selling some formulations at three to four times the cost. Then the chemists in this country make a 25 per cent profit on their outlay and by the time the drug comes to the consumer, he thinks it is better to die than to live. Of course, in our country it does not get reported as to how many people suffer because of all this.

It was stated in a paper in one of the international conferences arranged by the CSIR—and the Government has not con-

tradicted it—that the price of drugs that foreign companies in India charge for manufacturing in India is sometimes two to three times the cost of the same medicine produced by the same companies abroad. It was stated that if the cost of production of some medicine produced by Parke Davis in the USA is Rs. 100, its cost production in India was Rs. 230. Now, this is very strange situation in our country. In fact, it should be lower. But there seems to be a collusion between foreign companies and the Government.

#### Interruption

Now, I would like to ask the Minister, in conclusion, a few pointed questions in the light of this data. Is it not a fact that the IDPL is primarily responsible for the sorry state of affairs in the matter of drugs in this country? The IDPL, in one particular year, made losses; its sales were worth Rs. 1 crore and it made a loss of Rs. 9 crores. Secondly, considering all this, even now it is not too late to take over all foreign companies in the drug industry.

My third question is this, although the Minister here is not responsible for it. Mr. Kisku, also of the same Government, made a statement on 9th May this year that the Government is considering doing away with brand names so that this way they can provide medicines cheaper. This proposal is under consideration. This is what he said. Will the Minister here inform us whether he knows about this, whether he is in favour of that, whether he would like to say anything in this connection? I would like, however, to say that there is one other country which has already tried doing away with brand names, and that is Pakistan under the brilliant, dynamic, intelligent, leadership of Mr. Bhutto. But they made only one mistake. They decided to rename aspirin, for example, as acetysalicylic. Then there is another renamed as icdochlorhydroxyguine. Now, people had to mention both old and new names in order to be able to get the correct medicine. If the Government is, in fact, considering

such proposal, then I would like to know whether the Government has seriously thought about how it is going to distribute medicines under this new scheme.

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY AND AGRICULTURE (SHRI C. SUBRAMANIAM): You have better admiration for Bhutto.

SHRI SUBRAMANIAN SWAMY : I would also admire you on the same plane as I admire Bhutto . . .

MR. DEPUTY CHAIRMAN : He was being very sarcastic.

SHRI SHAH NAWAZ KHAN : My honourable friend has said that in our country the demand for drugs is going up. Well, I feel that it is a natural thing that when our population is going up very fast, the demand for drugs is bound to go up. In fact, the Task Force has estimated that by the end of the Fifth Five Year Plan the turnover in the drug industry will increase from Rs. 350 crores at present to about Rs. 5 to Rs. 6 hundred crores by the end of the Plan. So it is natural that when the country is going forward . . .

SHRI SUBRAMANIAN SWAMY : Population is increasing only by 2 per cent whereas the demand for drugs is going up by 20 per cent. How do you explain that?

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS AND IN THE MINISTRY OF WORKS AND HOUSING (SHRI OM MEHTA): It shows that our standard of living is going up.

SHRI SHAH NAWAZ KHAN : It is correct that at present the share of the public sector in formulations is only about 6 per cent. The main idea was that the public sector would go in for production of basic bulk drugs. They would produce bulk drugs at cheaper rates and then give them to the formulators. Then they would be able to keep the prices of formu-

[Shri Shah Nawaz Khan]

lations and medicines low. But we find that many of the formulators, after taking the bulk drugs at fairly cheap rates, tend to make high profits. And the real profits are in formulation. And therefore, the public sector has also decided to go in an increasing manner for production of formulations. And we hope that by the end of the Fifth Five Year Plan our share in the formulations would increase from 6 to about 21 per cent or so. That is our policy. And our share in the bulk drug production which is at present 35 per cent would increase to about 50 to 55 per cent.

SHRI SUBRAMANIAN SWAMY : Why don't you take over all the companies and have hundred per cent in public sector?

SHRI SHAH NAWAZ KHAN : At present the Government has no intention of taking over any company. But the Government is doing everything possible to give encouragement to Indian firms to come up. The Reserve Bank has issued instructions recently controlling remittances abroad and controlling the activities of foreign firms.

In fact, those foreign firms with 100 per cent equity capital cannot repatriate anything unless they reduce their equity share to 74 per cent. We asked them to reduce the equity share. That way, Sir, we are trying to bring down the equity capital of the foreign firms and we are trying to give every possible encouragement to our own indigenous firms to come up. Same thing is being done in the allocation of raw materials also. Smaller units are getting much more share of raw materials than these big firms. My hon. friend said that certain American firms were found guilty of cheating in the States and asked whether some action had been taken.

SHRI SUBRAMANIAN SWAMY : Cheating in India.

SHRI SHAH NAWAZ KHAN : Yes, we are aware of that and I can assure my hon. friend that Government is not sitting idle and we will try and put forward our claim.

SHRI SUBRAMANIAN SWAMY : What have you done? This was discovered in 1973. Could you please tell us?

SHRI SHAH NAWAZ KHAN : We are taking action. All I can say at this stage is that the Government is seized of this case and the decisions given by U.S. courts and we are trying to take full advantage of them.

Now coming to S.T.C., it has been stated that they are charging very high prices, 200 per cent and 300 per cent. That is not so. According to the formula that the S.T.C. goes by S.T.C.'s margin is 5 per cent on c.i.f. cost. Just to say that S.T.C. is charging 200 per cent or 300 per cent is not correct.

SHRI SUBRAMANIAN SWAMY : What is the S.T.C. charging? I want to know by way of information.

SHRI SHAH NAWAZ KHAN : S.T.C.'s charges are very small. 10 to 12 per cent.

SHRI SUBRAMANIAN SWAMY : Did I hear the Minister correctly that S.T.C.'s margin on the basis of landed cost is only 12 per cent. I want it for record.

SHRI SHAH NAWAZ KHAN : S.T.C.'s margin is 5 per cent on c.i.f. cost.

SHRI SUBRAMANIAN SWAMY : Only 5 per cent?

SHRI SHAH NAWAZ KHAN : My hon. friend said that the I.D.P.L. had incurred very heavy losses. It is true that the I.D.P.L. had incurred certain losses. There were certain drawbacks and defects. We have now improved the strains which are used for producing antibiotics. Those strains were not productive and we have got some very much better strains now and the hon. Member would be happy to know that the I.D.P.L. has improved considerably and we hope that before long we will be able to show profits.

Sir, coming to the question of brand names, I may say that those firms which market their goods under generic names

are not charged any excise duty. Those who market their goods under brand name have to pay excise duty and that is the curb we are trying to place.

1 P.M.

श्री रबी राय : मैं सवाल पूछने से पहले आपके लिए मंत्री महोदय से निवेदन करना चाहता हूँ कि वे जरा होम वर्क करके आये जिससे हम लोगों को भी लाभ हो, सदन को भी लाभ हो और स्वयं उनको भी लाभ हो। हम देख रहे हैं कि बेकिमी सवाल का जबाब स्पष्ट रूप से नहीं दे पा रहे हैं।

मैं पहला प्रश्न यह पूछना चाहता हूँ और मंत्री महोदय मान चुके हैं कि जो फर्म 50 लाख रुपये से नीचे के हैं, उन पर किसी तरह का नियंत्रण नहीं है। इसलिए मैं मंत्री जी से यह जानना चाहता हूँ कि आपने जो इस तरह की 20 प्रतिशत कंपनियों को छूट दे दी है, उन पर आप क्वालिटी कंट्रोल और प्राइस कंट्रोल किस तरह से करेंगे जब कि आप ने उनका इस प्रकार की छूट दे रखी है? वे लोग तो जिम तरह से प्राइस चाहें बढ़ा लेंगे और आपको इस तरह की छूट नहीं देनी चाहिये थी।

दूसरी बात मैं यह जानना चाहता हूँ कि पीम्परी में पैनिमिलीन बनती है, वह कितने में बनती है और उसका विक्री मूल्य कितना है। क्या मंत्री जी विक्री मूल्य और लागत खर्च में सामंजस्य लाने की कोशिश करेंगे।

तीसरा सवाल यह है कि जो हाथी कमेटी क्वालिटी कंट्रोल के बारे में राय देने के लिए बनाई गई है, उसने जो राय दी है, उसको मैं आपके सामने पढ़ देना चाहता हूँ।

**"In the case of drugs a little attitude shown to a manufacturer may spell all the difference between life and death".**

यह कमेटी कहती है कि केन्द्र और राज्य सरकारों, दोनों की इस बारे में जिम्मेदारी है। वह यह भी कहती है कि हिन्दुस्तान के अन्दर उड़ीसा, चडोगढ़, दिल्ली, गोवा, हिमाचल प्रदेश, मणिपुर, पांडेचरी और त्रिपुरा में अभी तक क्वा-

लिटी कंट्रोल को लागू करने के लिए विशेषज्ञ नहीं है। जब इस प्रकार की स्थिति है, तो मैं मंत्री जी से जानना चाहता हूँ कि हाथी कमेटी की जो सिफारिश है, खास कर क्वालिटी कंट्रोल के बारे में और मूल्यों के बारे में उस पर, क्या सरकार सिंचार करेगी? मैं सरकार से यह जानना चाहता हूँ कि वह कब तक इस पर विचार करेगी और कब तक इसको लागू करेगी?

श्री शाहनवाज खाँ : मेरा जवाब है मैंने काफी विस्तार से इस मामले के बारे में राशनी डाली है। हमारे सामने जो प्रश्न है वह यह है कि क्या हम प्राइस कंट्रोल के नीचे 2500 फर्मों को लाये जा हजारों किस्म की दवाएँ बनाते हैं? इस तरह के फर्म जो कीमत अपनी दवाईयों के बारे में मांगते हैं, उनको ब्यूरो आफ इंडस्ट्रियल कास्ट डील नहीं कर सकता है। हमने 80 प्रतिशत जो दवाई बनाने वाले हैं उन पर कंट्रोल रखा है और उनकी कीमत, क्वालिटी कंट्रोल इन दोनों चीजों पर सरकार की निगरानी रहती है। जब 80 प्रतिशत पर इस तरह का कंट्रोल होगा तो 20 प्रतिशत वे लोग जिनको छूट दी गई है, वे जिन्दा नहीं रह सकते हैं। 80 फीसदी लोगों के नीचे अगर ये 20 फीसदी वाले अपनी दवाई के दाम बढ़ा दें या उनकी क्वालिटी गिरा दें तो वे चल नहीं सकते हैं। इसलिए हमने कहा है कि बहुत सारे यूनितों का जिनकी 50 लाख रुपये की कैपिटल से कम है, उनको इस आर्डर से मुस्तसना कर दिया है, इम्पैम्प्ट कर दिया है ताकि हम जो 80 प्रतिशत कंपनियाँ हैं उन पर अच्छी तरह से निगरानी कर सकें क्योंकि देश को जो लाइफ सेविंग ड्रग्स वे देते हैं, उनमें कोई कमी न आने पावे और वे अपना प्रोडक्शन जारी रखें। यह हमारा इरादा है।

माननीय सदस्य वे पीम्परी में जो पैनिमिलीन बनती है, उसकी कीमत के बारे में कहा। तो मैं यह कहना चाहता हूँ कि जैसा मैंने पहिले बतलाया कि जो तरीका कीमत फिक्स करने का है वही तरीका यहाँ पर भी लागू होना है। ब्यूरो आफ इंडस्ट्रियल कास्ट जो प्राइस फिक्स करता

[श्री शाहनवाज खां]

है, वह यहाँ पर भी लागू होता है। हमने इस तरह से कुछ चीजों की कीमतें फिक्स कर दी हैं।

श्री रबी राय : मैंने तो यह पूछा था कि इसमें लागत खर्च कितना आता है।

श्री शाहनवाज खां : लाखों दवाइयाँ बनती हैं और मैं हर एक के बारे में नफ़सील नहीं बतला सकता हूँ। अगर आप निखकर जानकारी हासिल करना चाहें, तो मैं बतला सकता हूँ। लाखों दवाइयाँ बनती हैं और मैं डाक्टर नहीं हूँ कि सब दवाइयों के दाम याद रखूँ।

श्री रबी राय : पैनिसिलीन के दाम तो बतला दीजिए कि लागत खर्च कितना आता है। तीसरी बात जो मैंने हाथी कमेटी की सिफारिश के बारे में पूछा था, उसके बारे में बतला दीजिए।

श्री शाहनवाज खां : हाथी कमेटी की सिफारिश के बारे में जैसा मैंने प्रश्न किया कि इस कमेटी की बैठकें जारी हैं। इस कमेटी ने फरवरी के महीने से अपना काम शुरू किया था, लेकिन बदकिस्मती से कानपुर में ग्लूकोज का जो हादसा हो गया था, इस कमेटी को खास तौर पर आदेश दिया गया था कि वह क्वालिटी कंट्रोल के बारे में अपनी सिफारिश हुकूमत को भेजे ताकि हुकूमत कार्यवाही कर सके। उन्होंने जो अपनी रिक्मेन्डेशन हुकूमत को भेजी है, उस पर हुकूमत गौर कर रही है।

**DR. K. MATHEW KURIAN (Kerala):** Sir, normally medicines are used to heal the wound or to see that injury is avoided. In fact by increasing the prices of drugs and proposing to increase them further—I make this as a specific charge that they are proposing to raise the drug prices further—Government is adding insult to injury of the large masses of people who are suffering from starvation and gross neglect in the field of public health. According to the Report of the Bureau of Industrial Costs and Prices the costs of 24 drugs were considered. In fact the Bureau suggested the lowering of prices in the case of

four drugs. The Bureau had based their calculations on the basis of costs as on December 1973. That means after January 1, 1974, the prices have further increased to such an extent that the Government today is faced with the problem of allowing further increase in prices of drugs. Unless the Minister can deny it I would make this specific charge that the Government today is actively considering giving further increase in the prices of drugs also as in the case of large number of other commodities. The price of Aspirin has gone up already by 38 per cent. The price of Vitamin B1 has increased by 24 per cent from Rs. 480 to Rs. 620 per kilo. According to my knowledge the 7-Member Inter-Ministerial Committee has already referred to the Bureau of Industrial Costs and Prices the case of 12 drugs. That was in April 1974, while prices of 17 drugs are already being considered by the Bureau. That means quite a large number of additional drugs are being considered by the Bureau and the Government is actively considering a further increase in their prices. I would like the Minister to deny this charge.

Now, the bulk drugs constitute about 30 per cent in the preparation of formulations. I would like to know from the hon. Minister whether the industry will be allowed to pass on the entire increase in the price of bulk drugs to the consumers. Will the Government assure us that the increase in the price of bulk drugs will not be allowed to be passed on to the consumers? In fact, the manufacturers of the formulations are having a substantial profit margin. I would like also to know specifically from the Minister whether under the Drug Control Order of 1970 the formulations manufacturers are permitted to retain a margin calculated at 15 per cent of the total turnover and not 15 per cent of the invested capital as the Minister said here in the House. I would like to have it clarified whether under the Drug Control Order of 1970 the formulations manufacturers are permitted to keep a margin of 15 per cent on their turnover. That is very significant; if it is 15 per cent of the turnover it is

a very serious matter. The formulations manufacturers have already a large cushion with which they can absorb any increase in the prices of bulk drugs. According to figures available with me 65 per cent of the bulk drugs numbering about 700 is manufactured in the private sector. There are public sector manufacturers like the IDPL and also the various Medical Store Depots under the Ministry of Health but there is substantial unutilised capacity. Government talks of production all the time but the public sector units like the IDPL and the Medical Store Depots under the Ministry of Health are not geared up and their management has not been properly revamped in order that the entire existing capacity is properly utilised so that the prices of drugs could be drastically brought down.

Lastly, with reference to cheating by American drug firms I have got here very specific information that according to an answer given by the Minister of State for Petroleum and Chemicals in the Rajya Sabha on 18th November 1970 he has admitted that there has been overcharging by American firms to the extent of 13.3 lakhs.

This has been going on for the past eighteen years. For eighteen long years overcharging by American firms has continued and the Government did not know about it. Only when the United States Senate Committee found this out the Government also knew about it. The Minister said that the policy of the Government is increasing Indianisation of the industry. On the contrary I charge the Government that the Government's policy is increasing collaboration and increasing the licences of foreign companies. (*Time bell rings*). I give only one important figure to prove this and then I will stop. Sir, in the case of about 400 permission letters issued by the Government, they had no legal backing. The permission letters did not take into account the c.o.b. licences which is a highly irregular thing. Some firms did not apply for the conversion of permission letters into c.o.b. licences within the prescribed time-limit, but c.o.b. licences were issued to these

companies. Sandoz and Glaxos were given 150 formulations. Some of the firms were producing formulations much in excess of the capacity allowed in the c.o.b. licence. All these things have been going on. While foreign firms are allowed all laxity, Indian firms, particularly small firms, and public sector industries have been neglected.

MR. DEPUTY CHAIRMAN : You said 'lastly' and you should finish.

DR. K. MATHEW KURIAN : I am referring to the same last point. According to an answer given in the Lok Sabha on the 17th April, 1974 the Government have admitted that no objection letters were issued prior to 1966 on the basis of the Licensing Committee's decision, but the Drug Controller can be circumvented in issuing no objection letters in the case of a large number of companies. In fact, in the Licensing Committee—unless the Minister corrects me—the Drug Controller's voice is very limited. The DGDT, through his representative, the Deputy Director-General, is a member of the Licensing Committee. The Drug Controller has a very limited control. A large number of licences are issued to foreign companies like Pfizer, who have increased their profitability, according to the figures available, by 24.2 per cent in 1969-70 and by 23 per cent in 1970-71, Parke-Davis by 13.3 per cent and Merck, Sharpe and Dhome by 23.2 per cent.

MR. DEPUTY CHAIRMAN : You must finish somewhere.

DR. K. MATHEW KURIAN : Therefore, I am saying, when the profitability of foreign companies is increasing, while a large number of companies are allowed 15 per cent on the sales turnover, will the Government ensure that the increase in bulk prices will not be transferred to the consumer and that the Government will control the drug prices? If the Government can bring forward Ordinances in the name of controlling inflation, they can bring forward an Ordinance for controlling the price of drugs.

**SHRI SHAH NAWAZ KHAN :** I can fully appreciate the feelings of my hon. friend when he says that prices should not increase. The economic situation is such that we should not put any fresh burdens on the people, but the point is this. As he himself has said, the last time the prices were increased, it was based on December, 1973 prices. The House is fully aware that since then there has been a very steep increase in the price of raw materials, particularly those based on petroleum products. Packing charges have gone up. If there has been a steep increase in the price of raw materials, then it becomes inescapable to consider the applications of firms asking for an increase in price . . .

**SHRI NIREN GHOSH :** You have increased the prices of raw materials. You are responsible for it.

**SHRI SHAH NAWAZ KHAN :** Under the Drugs Price Control Order, 1970 it is the normal procedure for any firm to ask for a price increase. They submit their case to the Bureau of Industrial Costs and Prices in the normal course. This has been going on since 1970 and it is a continuous process.

And they have recently made some more applications on the same basis as they have been doing in the past. The Government has done nothing to favour any of these drug firms. It is a continuous process and very strict norms are fixed. The Bureau of Industrial Costs and Prices scrutinises each individual case. And where there is need for decreasing the price, they decrease it. In some cases, they increase the prices.

**DR. K. MATHEW KURIAN:** What about the Government allowing a high profit margin for the foreign companies? Why don't they reduce it?

**SHRI SHAH NAWAZ KHAN :** About the high margin of profit, there is an alternative scheme in which a firm can opt for 15 per cent gross profit on the sales turnover . . .

**DR. K. MATHEW KURIAN :** Why?

**SHRI SHAH NAWAZ KHAN :** This is before tax, and after tax, the actual profits come to something very much less. Now, my hon. friends have been making very, very high profits. I would like to quote a few figures. In the case of Ciba, their gross profits in 1972-73 were Rs. 125 lakhs or so. In 1973-74, they have come down to Rs. 88 lakhs. Similarly in the case of many other firms, their profits are being brought down, are being controlled and they are coming down gradually.

**DR. K. MATHEW KURIAN :** Would you allow one thing which will help in the discussion? In the case of the Anglo-French Drug Company, with a paid-up capital of only Rs. 10,000, they had a turnover of Rs. 172 lakhs in 1970 and the profits were Rs. 33.53 lakhs. How do you justify it?

**SHRI SHAH NAWAZ KHAN :** The Bureau of Industrial Costs and Prices will look after that.

श्री यशपाल कपूर : जनाब नायब सदर साहब, आप की इस बहस के दौरान जो दवाओं के बारे में बातें उठाई गई और कीमतों का मसला सामने आया है, तो यह बहुत फैलाव वाला सवाल है और उसके कई पहलू हैं। लेकिन इस वक्त मैं सिर्फ दो तीन बातों की ओर आपका और सदन का ध्यान खींचना चाहता हूँ।

अभी जो कीमतें बढ़ाने की बात उठाई गई, आपको याद होगा कि पिछले इजलास में यह तय हुआ था कि एक कमेटी बनाई जाए जो ड्रग्स और फार्मसियुटिकल इंडस्ट्री के सभी पहलुओं पर गौर करे और सरकार को अपनी रिपोर्ट दे। इस बीच में जब कानपुर का हादसा हुआ तो हेल्थ मिनिस्ट्री ने इस कमेटी का समारम्भ किया चाहे यह पेट्रोलियम और कैमिकल्स मिनिस्ट्री के अन्दर ही और उसका क्वालिटी कंट्रोल से सीधा ताल्लुक नहीं था। लेकिन फिर भी इस कमेटी को याद किया गया और उससे कहा गया कि वह जल्दी से अपनी रिपोर्ट दे और दवाओं

का क्वालिटी कंट्रोल करने के लिए वह कदम उठाये और इस कमेटी ने मैं समझता हूँ कि एक महीने के अन्दर अपनी रिपोर्ट पेट्रोलियम एण्ड कैमिकल्स मिनिस्ट्री को दी। वह उन्होंने हेल्थ मिनिस्ट्री को भेजा, हेल्थ मिनिस्ट्री से प्रदेश सरकारों को भेजी या नहीं, वह अलग सवाल है। लेकिन जब एक कमेटी काम कर रही है जो इन पहलुओं पर गौर कर रही है तो इस वक्त जब सरकार दवाओं की कीमतें बढ़ाने पर विचार कर रही है तो क्यों इस कमेटी को बताना मुनासिब नहीं समझा गया कि कीमतें बढ़ाई जायें या नहीं? जिस वक्त इस कमेटी को बैठाने का सवाल उठा था तो मेरे ही सवाल पर बरवा साहब ने घोषणा की थी कि हम एक कमेटी बैठायेगे। आज जितने अखराजात लाते हैं कारखाने में जब से दवा शीशी में भरी जाती है, फिर होलसेल एजेंट हैं, फिर दुकानों में बेचने वाले हैं। फिर डिसपेंसिंग कैमिस्ट जो आगे दवा देता है उसमें कहीं पर बहुत ज्यादा कमीशन होता है। जितनी दवा की कीमत नहीं होती उससे ज्यादा कमीशन दिया जाता है। दवाएं बनाने के बाद भी खूबमूरत पैकिंग करने की क्या जरूरत है जिससे कीमतों को बढ़ाया जाए। जो हमारे अरामी इदारे हैं जैसे—आई० डी० पी० एल० है और तीन चार कारखाने हैं—उनको खुले हुए कुछ वर्ष हुए। लेकिन इनकी एक्सप्लरी युनिट्स खड़ा करने के लिए कोई नये कदम नहीं उठाये गये। कितनी ही दवाएं आज ऋषिकेश में बनती हैं वहां से वे हैदराबाद भेजी जाती हैं, फिनिसड प्रोडक्ट्स बनाने के लिए। इससे जो कीमतों में फर्क पड़ जाता है इस तरफ कभी सरकार का ध्यान गया है?

अभी यह कहा गया कि हमारे आई० डी० पी० एल० में नुकसान हुआ। जिन्होंने यह सवाल किया, क्या मैं उनसे पूछ सकता हूँ कि जब हमारे कारखाने जनता के लिए बहुत जरूरी हैं, उनकी खिदमत के लिए, बीमार लोगों के लिए हैं तो

वहां की ट्रेड युनियन वाले उम को राजनीतिक, मियासी रंग देकर ऋषिकेश के कारखाने को जलाने, मशीनरी को तोड़ने के बाद यहा इस सदन में यह सवाल करने का क्या हक रखते हैं कि वहां नुकसान कितना हुआ? मैं उनसे कहूंगा कि ऐसे हमारे इदारे में, जो कि लोगों के लिए जरूरी इदारे हैं वहां कम से कम ट्रेड युनियन्स में राजनीति फैला कर वहां की कोमी मिलिकयत को नुकसान न पहुंचाए।

श्री शाहनवाज खां : मैं मशकूर हूँ मि० कपूर का, जो कि हाथी कमेटी के मॅम्बर भी हैं, उन्होंने इस मामले पर कुछ रोशनी फेंकी है और यह भी बताया है कि हमारे जो पब्लिक सैक्टर की ड्रग्स युनिट्स हैं उसमें खातिरखवाह मुनाफा नहीं हुआ। उन्होंने वहां के लेबर रिलेशन के बारे में भी कहा कि वहां हड़ताल हुई और मशीनरी को काफी नुकसान पहुंचाया गया, यह तो ठीक है। उनकी जानकारी के लिए मैं बताना चाहता हूँ कि उम वक्त से अब तक मैं थोड़े दिन के लिए वहां गया था। अब वहां का इंडस्ट्री रिलेशन बहुत बेहतर है। वहां की प्रोडक्शन भी बहुत बेहतर होती जा रही है। जैसा मैंने अर्ज किया, मैं उम्मीद करता हूँ कि यह युनिट, खासकर जो आई० जी० पी० एल० ऋषिकेश की है यह जल्दी ही नुकसान के दौर से निकल कर मुनाफे के दौर में कदम रखेगी। हाथी कमेटी अपने काम में मसरूफ है। जब तक वह अपने काम को खत्म न करे उस वक्त तक ड्रग्स कंट्रोल एक्ट जो है उसे बन्द कर दिया जाए। मेरे ख्याल में यह मुनासिब नहीं होगा। हमारे लिए सबसे जरूरी बात यह है कि मुल्क में खासकर जो लाइफ सेविंग ड्रग्स हैं उनकी कमी न होने पाए और अगर उसकी कमी इस वजह से होती है कि जो राँ-मैटीरियल की कीमतें हैं वह बहुत बढ़ गई हैं, पैकिंग के मैटीरियल की कीमतें बढ़ गई हैं। अगर हम उमको वह कीमत न दें तो हो सकता है वह अपने प्रोडक्शन को कम कर दे। उससे हमारे मुल्क की अराम की सेहत पर बुरा असर पड़ेगा। हुकूमत जो करने वाली है, उसकी जो प्रपोजल्स हैं वह सब में सुझाव



[श्री शाहनवाज खां]

हाथी कमेटी को पहले से दे दूंगा। बाकी कपूर साहब ने कहा कि बल्की ड्रग बहुत कम होती हैं और फोरमुलेशन बहुत बढ़ाकर दी जाती है। उन्होंने यह भी पूछा कि इसमें क्या तरीका इस्तेमाल किया जाता है? यह मैं काफी तफसील में बता चुका हूँ और उसको दुबारा दोहराना नहीं चाहता हूँ। लेकिन यह कहना चाहता हूँ कि जो फोरमुलेशन होती हैं, उनमें जो तमाम कमीशन होते हैं, जैसे होलसेलर का कमीशन, रिटेल डीलर का कमीशन, फ्राइट और तमाम नल्ल-व-इसाद, पब्लिसिटी, प्रोपैगण्डा, इन सब का विचार किया जाता है और इसको ब्यूरो ऑफ इंडस्ट्रियल कास्ट एण्ड प्राइम बड़े गौर से हर चीज को देखता है और कोई बोझ अवाम पर न पड़े, इस चीज को भी देखता है।

**SHRI SANAT KUMAR RAHA** (West Bengal) : Sir, many issues regarding drugs have been covered by the Minister. I want to put two or three questions. Sir, the drug manufacturing business is completely controlled in India by the foreign monopolists.

**SHRI SHAH NAWAZ KHAN** : No.

**SHRI SANAT KUMAR RAHA** : A large percentage of production is controlled by the foreigners. Secondly, the drug prices dictated by the foreign monopolists are rubber-stamped by the Bureau of Industrial Costs and Prices. I want to know the attitude of the Government. How long will these foreign monopolist drug manufacturers stay in India without being Indianised? That is my first question. It cannot be immediately done because they have got the technology, expertise and other things which we do not possess. But as in the case of Esso and Burmah-Shell we can take their special knowledge. So I want to know from the Government how long they will take to Indianise these manufacturing organisations. The second point is, to-day we are facing a serious economic crisis, inflation and price rise. Food is in short supply and food is absent. When food is absent, people require drugs more.

That is the experience of life. When drug is absent, life cannot be saved. So, what comes next? Glucose killer. Manufacturers are producing it and the Government is looking at it as though it is a life-saver. Glucose killer is the latest achievement of the Government. The situation is such that in no hospital can a free-bed patient get drugs. He is given the prescription to go and buy from the market. How can they purchase? Secondly, the controlled price is not there in the market. Only the black-market price is there. Even yesterday in the *Hindustan Standard* I found a letter to the Editor saying that some fair-price shops, sponsored by the Government, were selling such and such drugs at Rs. 3 at one place and at Rs. 3.60 at another place. Such is the position. Who is to control the standard? Who is to control the price? Who is to control co-ordination between the States and the Centre? The glucose killer has achieved one thing. It has brought together the heads of the Central Health and Home Ministries, the Central Health Ministry and the Licensing Department and the State Governments. Because there are killers, the Home Ministry is there. Because there are unlicensed manufacturers, there is the Licensing Department. All these departments have come together. Only glucose has given us a lesson that the Government of India should have a machinery to look into these affairs, availability of drugs, pricing supply to hospitals, supply to the market and so on. Drugs should be treated as a social necessity like the railways. Drugs should be treated as an item for public consumption for life-saving. So the Government's outlook should be changed. I want to know from the Minister the Government's attitude towards these foreign monopolist drug manufacturers, regarding supply of drugs and regarding co-ordination between the States and the Centre and co-ordination among the three departments—Health, Home and Petroleum and Chemicals.

All these three Departments should be coordinated in such a way that they can effectively control drugs and eliminate the sufferings of the people.

**SHRI SHAH NAWAZ KHAN :** It is a fact that about 40 to 50 per cent of the drugs manufactured in this country are being manufactured by foreign firms. The growth of pharmaceutical industry has a historical background and its companies have grown over a period of time and it would be neither possible nor desirable to push out these foreign companies at this time. We are trying to encourage our Indian firms to come up and as and when they are in a position to replace these firms, their share would be increased, and we do hope that our indigenous firms would come up and have a high share.

**DR. K. MATHEW KURIAN :** Have you considered the larger equity share in these foreign companies? Why don't you take over these foreign companies?

**SHRI SHAH NAWAZ KHAN :** Every time these foreign companies come up for expansion, they are asked to reduce or when they come up for production of basic bulk drugs, one of the conditions usually stipulated is that 30—50 per cent of the bulk drugs would be given to non-associate formulators, that is, the drugs that they will produce, they will use some for their own purposes and the rest they will give to the development of Indian industry. The Government is taking every possible step to give encouragement to the Indian industry to come. But at the same time these foreign drug firms have their associates abroad. They are carrying out their intensive research and development programmes; new drugs and medicines are being manufactured everyday as a result of this intensive research and development, and we would not like to deprive our country of the benefit that we get from these firms. We are certainly trying to control remittances abroad. We are trying to control profits. All this is being done by the Government. We are giving every encouragement to the Indian industry to come up. At the same time until such time as the Indian industry is in a position to replace effectively these firms, it would be rather premature to think of taking over all these foreign drug firms. Whenever these foreign firms ask for expansion schemes for production of new

drugs, we stipulate also that so much percentage of it should be exported. And they are also earning foreign exchange for us. They are helping our small-scale units to come up. They are playing a useful role and we have no intention of taking over these firms.

## MESSAGE FROM THE LOK SABHA

### The Gujarat Appropriation (No. 2) Bill, 1974

**SECRETARY-GENERAL :** Sir, I have to report to the House the following message received from the Lok Sabha signed by the Secretary-General of the Lok Sabha :

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith the Gujarat Appropriation (No. 2) Bill, 1974, as passed by Lok Sabha at its sitting held on the 23rd July, 1974.

2. The Speaker has certified that this Bill is a Money Bill."

Sir, I lay the Bill on the Table.

**MR. DEPUTY CHAIRMAN :** Now we go to the next item, Statement . . .

श्री सीताराम सिंह (बिहार) : श्रीमान्, मैं बिहार की घटनाओं की ओर इस सदन का ध्यान आकषिप्त करना चाहता हूँ . . .

**MR. DEPUTY CHAIRMAN :** Mr. Sitararam Singh, I have not permitted you to raise anything. Please sit down.

श्री सीताराम सिंह : बिहार में आज जो अराजकता फैली हुई है और वहाँ की जो परिस्थिति है उसको मैं . . .

**MR. DEPUTY CHAIRMAN :** If you persist in speaking, whatever you say will go off the record.

(Shri Sitararam Singh continued speaking)