

Minister. I would like to know the details of discussions that the hon. Minister had with him and what kind of an agreement was arrived at. Will the hon. Minister kindly throw some light on the nature of these discussions and the results thereof?

SHRI D. K. BOROOAH: Sir, the main subject of discussion with the Secretary-General of the OPEC was the problem of high prices of crude from the OPEC countries and its adverse effect on our economy and finances. Dr. Khan stated that they had to hike the price of oil because they had to buy a lot of things from developed countries which had become very expensive and they had also thought that crude was a limited resource and a wasting asset. Therefore they would like to get as much money as possible for the development of their countries because they themselves were developing countries. They quite appreciated our difficulties and suggested that some methods can be found so that the impact of these high prices on the economy of the developing countries can be cushioned off. His idea was that we should have bilateral agreement with these countries, that is, with the Arab countries, and see that we get better terms by way of deferred payments and also financial assistance for projects in this country. He also told us that the OPEC as an organisation is trying to build up a bank for giving assistance to the developing countries. He thought it will be delayed and therefore the more expeditious way of solving this problem would be to have bilateral talks with the various oil producing countries of the Gulf region.

SHRI K. P. SUBRAMANIA MENON: Many of the problems which this country faces is common with the problems that other under-developed countries are facing in regard to the import of petroleum and petroleum products. May I know from the Government whether the proposal to hold a special session of the United Nations *Assembly in* order to discuss the problems created by this increase in the prices of petroleum products as well as the question of conserving the resources has been discussed with the Secretary -General and whether the oil exporting countries as a

whole have agreed to this proposal of holding a special session of the United Nations General Assembly?

SHRI D. K. BOROOAH: Sir, When Dr. Khan was here he did not broach this subject but later we saw a statement issued by him to the effect that a session of the United Nations Assembly may be called to discuss this problem.

Report of the Bureau of Industrial Costs and Prices

241. SHRIMATI RATHNABAI SREENIVASA RAO:

SHRI M. S. ABDUL KHADER:
SHRIMATI SUMITRA G. KULKARNI^ SHRIMATI SUSHILA
SHANKAR ADIVAREKAR:

Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether it is a fact that Government have referred back the report of the Task Force on re-structuring the prices of 24 bulk drugs to the Bureau of Industrial Costs and Prices; and

(b) if so, what are the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAH NAWAZ KHAN): (a) Yes, Sir.

(b) Government have requested the Bureau of Industrial Costs and Prices to recommend fair selling prices of the concerned bulk drugs taking into account the escalations in costs that have taken place since the Working Group set up under the Chairmanship of the Chairman, Bureau of Industrial Costs and Prices formulated its report.

SHRIMATI SUMITRA G. KULKARNI: I would like to know from the hon. Minister in which year this reference was made.

†The question was actually asked on the floor of the House by Shrimati Sumitra G. Kulkarni.

After all the costing reports take quite some time. If the reference was made in 1970 by 1974 when the report comes out it will not be useful. What is the Government's policy in this regard? Why are 24 basic drugs given at a time? By the time 24 costings are done they will be already out of date in view of the price rise. | Therefore will the Government consider giving the basic drugs in smaller numbers so that their costing is effective?

SHRI SHAH NAWAZ KHAN: Sir, the/ Report of the Working Group was receiv- \ ed some time between April and October 1972, and various discussions were held. Inter-Ministerial groups also discussed this from September to December 1973 and it was felt that the Report needed further looking into. The Chairman of the Bureau of Costs and Prices was asked to look j into it and submit his Report within a month. That Report is expected very short-

SHRIMATI SUMITRA G. KULKARNI: One month is already over and 1972 cost-wiH ...

MR. CHAIRMAN: You cannot argue.

SHRIMATI SUMITRA G. KULKARNI: I am not arguing. This is 1972 costing; it means 1970 figures and if you delay it further it becomes useless. This is the crucial thing about costing. In view of the fact that the same bulk drug is manufactured by so many different concerns and since most of the drug industry in the country is controlled by foreign concerns, what is the Government's intention? Are they going to use the highest cost or the average cost or the lowest cost, so as to fix the prices? After all, the efficiency of the various companies is not the same. What is the policy of Government? If it is the highest cost, the most efficient wiH get much more profit and if it is the lowest cost, some of the companies will be running at a loss.

SHRI D. K. BOROOAH: I quite agree with her that the prices have increased considerably. Therefore, any decision based on 1970 figures would be out of date. So, at an inter-departmental meeting, in

which my Ministry as well as the Ministry of Health was represented, the Bureau of Industrial Costs and Prices was asked to undertake a further exercise, as mentioned earlier, to work out the revised prices, after taking into account the escalation in costs that has taken place since the group submitted its report. The group has now informed us that the revised report will be submitted soon. In fact, they think that it can be submitted in a matter of days.

' SHRIMATI SUSHILA SHANKAR, ADIVAREKAR: In view of the fact that \ their report and' recommendations are still awaited, a few companies which are charging prices higher than the others would be making higher profits as a result of the disparity in prices. What steps do the Gov-/ ernment intend to take to bring about j uniformity in the prices of the 24 essential \ drugs?

' SHRI D. K. BOROOAH: The purpose v is to bring about uniformity.

SHRI BABUBHAI M. CHINAI: It is rumoured and said that recently the Government has appointed a drugs committee headed by Mr. Jaisukhlal Hathi, a Member of this House. Will this Committee go into the cost-structure and pricing of the different drugs which are manufactured by pharmaceutical institutions and, if so, will they refer it do the Bureau of Industrial Costs and Prices or wiH they take a decision themselves? What is the object of this committee and what is its composition?

SHRI D. K. BOROOAH: Mr. Hathi is the Chairman and it consists of Members of Parliament and specialists. We have not included any commercial or manufacturers' representatives on this committee. They will go into the whole matter and evolve a policy, not in relation to particular drugs but the policy regarding pricing. The idea is to see to the development of the indigenous sections of the drugs industry.

SHRI YOGENDRA SHARMA: Is the Hon. Minister aware of some of the studies made in the USA that the drug manufacturing companies which have their offices

planted in India are reaping profits at the rate of 200 to 400 per cent higher than the actual cost? In one case it was 11,000 per cent as the hon. Member says. In view of this, will the hon. Minister take necessary steps to see that India is not fleeced by such foreign drug companies? Especially when we have our own national drug company, we should see that it develops, so that India is not fleeced by such foreign drug companies.

SHRI D. K. BOROOAH: I am in agreement with the hon. Member that India must not be fleeced by anybody, whether indigenous or foreign.

SHRI YOGENDRA SHARMA: Studies have been made and it is found that we are being fleeced.

SHRI D. K. BOROOAH: He mentioned the USA. He did not mention India. Therefore, I am not in a position to say how the US drug companies are fleecing the people of USA.

SHRI YOGENDRA SHARMA: No, Sir. My question is that studies have been made in the USA about those companies which have branches in India and they revealed that they are fleecing the people of India.

SHRI D. K. BOROOAH: This committee which has been appointed consists of hon. Members as well as experts. They are enlightened people who will take into account what is happening in Europe, the USSR and other countries.

DR. K. MATHEW KURIAN: On the one hand, while the foreign drug companies are fleecing the Indian people, the public sector companies in India, under the Government of India, like the Medical Stores Depots, are producing bulk drugs. In the Madras Medical Stores, for instance, there is substantial unutilised capacity, just because the Government has not granted something like Rs. 10 to Rs. 20 crores which are necessary for the Medical Stores for fulfilling their contracts. In many of these industries, machines and men are rotting because of lack of funds. May I know whether the Government will

reconsider the whole question of the public sector companies' medical store depots and enable them to have sufficient financial resources, so that this problem can be solved in the public sector?

SHRI D. K. BOROOAH: The major part of the work in the public sector is done by the IDPL which produces drugs in the public sector. (Interruption) I am talking of the major part of the drug production in the public sector which is done by the IDPL and the Synthetic Drugs Company. Therefore, what we have done is we have decided to expand the production and also improve the technology as well as the efficiency. Technical schemes have been taken up. It cannot give the details now. It has already been given. But it is substantial in the sense that it will have major, substantial part in the total production of drugs.

Availability of industrial alcohol

*242. SHRI SARDAR AMJAD ALI

SHRI IBRAHIM KALANIYA:

SHRI N. R. CHOUDHURY:

MISS SAROJ PURUSHOTTAM
KHAPARDE:

Will the Minister of PETROLEUM AND CHEMICALS be pleased to state the steps taken by Government to increase the availability of industrial alcohol in the country?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI D. K. BOROOAH): The production of alcohol depends on the availability of the basic raw material; viz., molasses, the production of which is directly linked with sugar production. With a view to maintain availability of industrial alcohol at the optimum level, the following steps have been taken:—

†The question was actually asked on the floor of the House by Shri Sardar Amjad Ali.