

[Shri G. Viswanathan]

The Prime Minister should take courage in both hands and restore normalcy in that State so that the peace-loving people of West Bengal live their normal lives. Sir, I do not want to take much of the time; I fully support the demand of my previous speakers, Mr. Somani and Mr. Ashok Sen that Central Government, especially the Finance Ministry should do everything possible for the development of the city of Calcutta and Bengal as a whole. Thank you.

SHRI P. VENKATASUBBAIAH (Nandyal) : While initiating the debate, Shrimati Sucheta Kripalani has brought out the malady that is afflicting the State of West Bengal.

She has forcefully pleaded for the economic betterment of that State, and that can only be done if law and order is restored, if the confidence of the people is restored in the efficacy and ability of the Government to run that State and protect it in the interests of the people of that State from anarchy and anti-social elements.

Confining myself only to the Proclamation of President's rule in the State and Parliament's sanction to extend the rule for another six months, I would like to state that Bengal, as my hon. friend who preceded me has said, is a land which has given us a galaxy of leaders who played a very prominent role not only in the political and social life but in the spiritual life of this country. The message of Swami Vivekananda, Ramakrishna Paramahansa, Tagore and Raja Ram Mohan Roy has been taken to the nook and corner of this country, and if any of our People were inspired and they participated in the freedom movement, it was because of the inspiration that had been given by this galaxy of leaders that brought fame to not only to Bengal but to the entire country. Today, in the very same State, we see a reversal of these things. That is why I say that the situation in Bengal is symptomatic of the conditions to come in this country in future.

I do not share some of the things which my hon. friends have stated here. Nor do I want to apportion the blame entirely to the coalition government led by the Communist Party. It is also due to the accumu-

lation of so many omissions and commissions that my party also had done when it was in power uninterrupted for 20 or 22 years. Let us be candid and frank about the omissions and commissions which we have done.

Unfortunately, after the attainment of freedom, we went on drawing on the goodwill or the affection and confidence and wishes of the people who had sacrificed their lives under the leadership of several of our leaders like Mahatma Gandhi, Shri Jawaharlal Nehru and Netaji and others, and we have betrayed their confidence and we have been responsible for or instrumental in creating such conditions as are now being fully exploited and utilised by the Communist Party. So, it is also our responsibility, and we should also make an introspection and see that at least now, cutting across political affiliations and political prejudices.....

MR. CHAIRMAN : The hon. Member can continue on the next day.

17 hrs.

DISCUSSION RE. RISE IN PRICES OF DRUGS

MR. CHAIRMAN : The House will not take up the discussion under rule 193, on the hardship caused by the abnormal rise in prices of drugs used by the common man.

SHRI SHRI CHAND GOYAL (Chandigarh) : The situation created after the enforcement of the Drugs Control Order from 1st Aug., 1970 is rather serious and we are compelled to think that instead of proving a boon; the Order is proving a curse. Prices of drugs which were maintained even during the Chinese and Pakistani aggressions, have shot up like anything. Dr. Sushila Nayar is sitting here; she was in charge of the Ministry then and she was able to control the prices which have, unfortunately, because of mis-handling of the situation, have badly hit the common man. Prices of ordinary items of common use by the common man have increased. Medicines are not available and have disappeared from the market. Chemists are not prepared even to issue cash memos, and when the customers insist for them, they plead that the medicine is out of stock.

The Delhi Administration survey team recently conducted a survey which shows that prices of many drugs and medicines have risen sharply, in many cases by more than 200 per cent. The team surveyed the change in prices after the enforcement of the Drugs Control Order from Aug., 1, 1970. It covers 616 drugs and medicines including some common household remedies produced by eight major pharmaceutical firms. The team has reported that prices in 258 cases have been reduced, in 191 cases they have been raised and in 167 cases they remain unchanged. The survey also covers 23 drugs and medicines produced by 8 State-owned factories which have registered a rise in prices. This is most serious. I could understand increase in prices of items produced by private manufacturers, but look at the rise in prices of items produced by these State-owned units. The report says that only in 3 cases there is a reduction which amounts to less than 10 per cent; prices of the remaining 20 drugs have gone up, in 6 cases by more than 40 per cent, in 4 cases between 20 and 40 per cent, in 8 cases between 10 and 20 per cent and in 2 cases between 5 and 10 per cent. This is the position regarding the prices of the products of the State-owned companies manufacturing these drugs.

Prices of laxatives soared from Rs. 7 a bottle to Rs. 27 a bottle; prices of Neamin have risen by 291 per cent, prices of ephedrine by 137 per cent and those of escorbin by 43 per cent; prices of penicillin-based drugs have risen from 48 to 88 per cent and sulfa drugs from 40 to 50 per cent.

Let us come to household remedies. Codopyrin price rose by 50 per cent, Novalgin by 20 per cent, Saridon by 25 per cent, Dettol by 26.4 per cent and Vicks Vaporubs by 16 per cent. These are common medicines of every day use.

The Chief Executive Councilor Shri V. K. Malhotra, has apprehended that the cost of items purchased in hospitals would go tremendously high because in Delhi alone they purchase medicines worth Rs. 2 crores a year. You can imagine the high rise in cost the Administration will have to bear.

I want to remind Dr. Triguna Sen sitting opposite to me that three months ago he had rejected the offer of the drug manufacturers to slash the prices of their products by 22 to 25 per cent. I do not place much faith in their profession or honesty. But at that time, the Minister said that they had missed the bus. He had said that he wanted to teach them a lesson. Now what are we faced with? They have taught the hon. Minister a lesson instead of being taught a lesson by the Government, because they have proved cleverer than the Minister himself, and his Government. The consumer is no better today than what he was when the industry was given a shock treatment. On the contrary, for the first time in seven years, the manufacturers have had an opportunity to raise the prices of hundreds of drugs by anything upto 55 per cent. The way they have behaved and have been allowed to behave under the law is truly scandalous. In the Editorial of *Hindustan Times* of today, this is what appears :

"The Ministry of Petroleum and Chemicals have behaved in the manner of a blundering innocent in the way it has handled drug prices. In the three months that it has attempted to 'tame' the drug manufacturers it has moved from one serious error to another culminating in an order freezing by fiat prices at the levels they were last May when the Ministry started its might labours."

This is the view of *Hindustan Times* which generally supports the Government. Instead, Dr. Sen has given us a formula that was riddled with ambiguity that it had to be clarified over and over again in the next three months. One of these clarifications changed the basis of the formula by allowing an alternative mode of price fixation based on 15% gross profit on sale. This has apparently allowed the industry to increase prices on a wide variety of drugs, not specifically covered by the stipulated restriction on mark up on ex-factory prices. These increases are in drugs that are not classified as 'life saving', but which nonetheless are widely in use for common ills. Clearly the Ministry has not done its home work. The hon. Minister would admit this position because in a statement

[Shri Shri Chand Goyal]

that he made in the Rajya Sabha he said that he did not expect that the drug manufacturers would raise prices in this matter.

सभापति महोदय : हम देखते हैं कि यहां पर जितनी बहस होती है, मिनिस्टर उनका जवाब नहीं दे सकते हैं, क्योंकि हम टाइम को एक्सीड कर जाते हैं। इसलिए माननीय सदस्य, जो इस प्रस्ताव को भूब कर रहे हैं, दस मिनट ले लें और अन्य सदस्य थोड़ा थोड़ा समय लें ताकि मिनिस्टर साहब आपको जवाब दे सकें और आपको सैटिसफेक्शन हो सके।

श्री शिव चन्द्र झा (मधुवनी) : ऐसा होता है कि कुछ पार्टियों को तो आप ज्यादा टाइम दे देते हैं और कुछ पार्टियों को आप एक दो मिनट में खत्म करने के लिए कहते हैं। इसलिए सब पार्टियों का टाइम पहले से निर्धारित कर दिया जाए।

SHRI SHRI CHAND GOYAL : Many of the drugs whose prices have gone up are common medicines, conventional anti-T.B. remedies and multi-vitamins. It was incumbent on the Government to have examined all the aspects of the question before it rushed into an announcement.

Then I would take up the question of large-scale hoarding. Dr. Roshan Lal, a Member of the Delhi Metropolitan Council, has issued a statement today in which he says that there is hoarding of medicines worth Rs. 1 crore in the Capital alone. The confusion over drug prices continues even till today and many chemists are refusing to issue cash memos for goods sold on the excuse that they have received no instructions from the manufacturers and hence they have to sell only at enhanced rates. Several doctors complained that drugs which were not available a few days ago could now be had at the new rates. The Government should take immediate steps to find out how much manufacturers have sold prior to the announcement of the increase in prices. A scrutiny would reveal a high turn-over. Dr. Roshan Lal showed a confidential list supplied by one of the leading agents of a number of pharmaceutical companies to

retailers in Delhi a few days before the prices were raised on August 1, 1970. It pointed out that in a few days the prices would be raised. This was just to let them know how much of profit they could make. This explains the huge imports by thousands of small and medium chemists before August 1, 1970, in order to make quick profits. The manufacturers may be clearing their stocks and retailers and others were assured of high profits. It was unethical for the manufacturers to circulate lists before the prices were raised.

I should like to ask the hon. Minister this specific question; is it a fact that the lists were circulated by the manufacturers to the retailers telling them that the prices were going to be raised in a few days and therefore they could purchase more. They purchased more. The game was that the manufacturers wanted to get rid of their stocks. Was it proper on their part to circulate such lists? As I told you earlier, such a confidential list has been produced by Dr. Roshan Lal.

The Government is considering a further amendment to the Drugs Price Control Order to ensure that the retailers return to May 15, 1970 prices in respect of those drugs the prices of which were raised by the manufacturers. The notification issued yesterday asked the manufacturers to return immediately to the May, 15, 1970 level but under the notification retailers were not bound to lower their prices. The manufacturers are under orders to communicate new selling prices to retailers. But there will be a time-lag in this. Several retailers are complaining that some manufacturers have not sent the revised price lists which were supposed to have reached them before August 1, 1970. If retailers complain that they have not got lists, there is no foolproof method of confirming this. Under the order, as it stands today any retail chemist can refuse to reduce the prices on the ground that he has not heard from the manufacturer. The Ministry is now considering whether it should take steps to plug the loopholes.

This is rather a serious position. The retailers are taking up the position that since they had not received any instructions from the manufacturers they are not bound to

revert to the price of May 15, because these prices were to be prevalent till August 15. What is the position with regard to the retailers? How is the Government contemplating to plug the loopholes? What do they propose to do so that the retailers do not loot the consumers?

An examination of the trend of higher drug prices reveals that the Government may ultimately permit a rise in the price of tablets meant for curing headaches. What is the position with regard to these tablets?

Mr. George Fernandes, the leader of a party, has made an allegation that the Ministry has taken Rs. 70 lakhs as illegal gratification to fix the price of the drugs.....
...(*Interruptions*). It might have been denied. But Caesar's wife must be above suspicion. It is the duty of the Government to prove that all these allegations are unfounded or baseless. Unless they clear up the allegation, the impression will persist in the minds of the common man and the consumer that there has been some bungling. It is for the Minister to clear up things in this connection.

SHRIMATI TARKESHWARI SINHA (Barh): Mr. Chairman, Sir, as the hon. Member who preceded me has pointed out, today the situation has grown to such an extent of confusion that the people who are suffering have been driven to the wall. Not only the poorer people have to pay very fabulous prices for the drugs but most of the drugs are not available in the market. Only this morning we read in the newspapers that a crore of rupees worth of drugs are lying underground, and they have been completely pushed underground and the medicines are not available to the patients who need them.

It has been the experience of Members of Parliament themselves, those who have gone out for buying some medicines, that no important medicine and life-saving drug is available in the market today. If only the private sector could have bungled and the public sector had shown an example of a reasonable price-structure for drugs, I would have commended the performance of the public sector which is under his Ministry.

But unfortunately the word "socialism" has been bandied about only to cover inefficiency, mismanagement, out-of-date machinery and complete complacency of the Government. In taking cognizance of the fact that they are acting as trustees of the people's money, socialism does not mean a callous indifference to the people's money; it means more sensitive appreciation of the hard-toiling people who give the money to the State to be invested in a manner that the public sector should really represent the commanding heights of the Indian economy. But the culprit is no less the public sector. Actually, the biggest price-rise that we have seen in the drugs, are the prices that are being charged by the IDPL to which reference has also been made by the hon. Member.

I would only give one instance to show how the IDPL charges high prices. Why? Because it is most inefficient; its machinery is out of date, and they do not have the guts. They may show their teeth to this country, and time and again Mrs. Indira Gandhi may lose her temper in this House and in the other House, just as she lost this afternoon her temper with the ruling party members, but she has not guts even to tell the foreign countries why they are really supplying us out-of-date machinery because of which the country's economy and the poor tax-payers' money are held to ransom.

I have great respect for the hon. Minister.

THE MINISTER OF PETROLEUM AND CHEMICALS, AND MINES AND METALS (DR. TRIGUNA SEN): Thank you.

SHRIMATI TARKESHWARI SINHA: Yes; I have respect. I have also a feeling that he would at least try with genuineness to cater to the needs of the suffering humanity, and those are the sick and the miserable people of this country who need the sympathy and compassion of everybody. But the hon. Minister is acting like "Alice in Blunderland." I do not know what has happened to him. He had created a very good impression in the House; to whatever party he belongs, the House respected him,

[Shrimati Tarkeshwari Sinha]

because of his genuineness. But in this muddle he looks like a baby in the woods. He does not know what he has to do. He gives them a warning, a warning to the drug manufacturers, that they must not raise the prices. Now, if he had stuck to the price level which he had announced...

MR. CHAIRMAN : The hon. Member's time is up.

SHRIMATI TARKESHWARI SINHA : I will have two or three minutes more. If he had stuck to the price level in May, no trouble to the community or the Government would have come about. Now you are in a soup. You have put the suffering humanity to further stress. You are being charged with all sorts of *mala fide* allegations. I do not know how far those allegations are true, but you have made yourself a victim of such allegations, because you behave like that. Almost all or at least most of the manufacturers are foreign manufacturers, and even if the Indian manufacturers have come into existence, most of them have foreign collaboration. In June, they howled and they insisted on the Government that this should not be done. Immediately in June, the Government became soft and revised the prices.

That is the charge. If you go to Bombay and Gujarat, you hear this talk on the streets, I do not know how far it is true. But it is being said that it is because of your weak-kneed policy. In response to the howls of the vested interests, an alternative scheme of pricing was then introduced in June which permitted manufactures to opt for an overall gross profit before tax not exceeding 15 per cent of the sales turnover. It was stipulated however that they will not be allowed as a rule a mark-up of more than 75 per cent for formulations based on the 18 essential bulk drugs and 150 per cent for the others.

सभापति महोदय : अगर आप इस तरह से करेंगी तो किसी भी पार्टी को टाइम नहीं दे सकूंगा, मिनिस्टर साहब भी जबाब नहीं

दे सकेंगे ... (ब्यवधान) ... मैं 6 बजे हाउस को बन्द कर दूंगा ।

SHRIMATI TARKESHWARI SINHA : As the spokesmen of a political party, we have the duty to lay the facts before the country. It is not a small matter. OPPI is the spokesman of the drug companies. It is a foreign-dominated association controlling 50 per cent of the total 93 units in the large sector and these 50 per cent control nearly 70 to 80 per cent of the drugs manufactured. Previously they were charging, as a cover, a reasonable price for some of the household drugs, but they compensated it by charging fabulously high prices for life-saving drugs, because they have to be purchased even by the poorest of the poor consumers. The CIF price of folic acid is Rs. 220 per kg. but IDPL charges Rs. 1300 per kg., i.e. 500 per cent more. You should allow us to point out all these things.

Since the minister first made the statement in May that he is going to control the prices of drugs, I do not know what has happened to the minister and the ministry because he has changed his own orders 25 times within 2 or 3 months. Are they in their senses? Is his department really going mad? We feel that they are living in a mad, mad world. It all looks like fantastic nonsense.

They allowed the STC to import life-saving drugs. But for the last one year, the STC has been sitting idle, not importing the raw materials for the life-saving drugs. They are depending for the purchase of raw material for drug manufacture on rupee payment countries. I think Government is aware that these things which are being supplied to us by rupee payment countries are bought by them from the hard currency areas and they sell them to us at 40 per cent higher price. Over and above that, this socialist government charges 60 per cent customs duty on the import of essential drug.

17-24 hrs.

[SHRI SHRI CHAND GOYAL *in the Chair*]

Every day they are saying that they are encouraging indigenous production. On

the indigenous production, over and above the 60 per cent customs duty I mentioned just now, the Government charges 27 per cent on the machinery which is used by the indigenous manufacturers. Over and above that, they charge excise duty. All taken together, I do not know where they are pushing the consumer. The biggest fraud of the whole policy of the ministry is that they have given a warning to the drug manufacturers that they should not increase the prices beyond this level. But what is the penalty that they have put on them? If they increase the prices and charge more than the stipulated prices which have been fixed by the government, they will keep that money in their own development fund to be utilised for research and development and expansion of their factories. Is this the punishment that Government is giving to the drug manufacturers because they charge higher prices? This has come in black and white. I think the Minister should better repudiate it and say exactly what is the punishment that he is going to give to those who are charging high prices. As far as I can understand, the Government has actually given them a facility because the Government says that the excess can be utilised later for research and development and adjusted against future profits or such other charges. Is this a punishment? This is how they have made themselves open to the charge that they have taken money, because this is the most uncalled for and nonsensical decision that they have taken. The Government does not penalise a person who charges high prices but, on the other hand, it makes him behave in that manner so that funds would be available for research and development purposes. Finally, I am grateful to you, Sir, for giving me so much time for speaking on this pressing problem.

SHRI N. K. SOMANI (Nagaur) : Because this is a matter of extreme importance, I request that the time allotted for it may be increased.

SHRI SEZHIYAN (Kumbakonam) : Since all parties want to present their views on this important subject, I suggest that the time for this discussion may be extended by one hour.

SHRI UMANATH (Pudukkottai) : My only submission is that what happened the other day should not happen today also. The other day we were discussing the question of interim relief to government employees. At 6 O'Clock the discussion was adjourned suddenly and we had no chance to say what should be done, because such discussions will not automatically be continued the next day. So, whatever may be the time that you give to this discussion, we must make it a point to conclude this discussion today with the reply of the Minister.

SHRI JYOTIRMOY BASU (Diamond Harbour) : Yesterday on an equally important subject we sat till about 7.30 p.m.

MR. CHAIRMAN : I am agreeing with you.

SHRI SEZHIYAN (Kumbakonam) : While food, clothing, shelter and employment are the basic necessities in a welfare state, the supply of drugs at cheap prices is also one of the social responsibilities of the government. About three months ago the Minister is reported to have stated that the manufacturers of drugs have missed the bus. But after three months, after the price muddle that has taken place in the journey, we have come to the conclusion that it is the Minister and the Government that have missed the bus and not the manufacturers. The manufacturers seem to have carried bus load of quick profits of an abnormal nature.

As has been pointed out by Shri Goyal, very many tablets like codopyrin, saridon, etc, which used to relieve headache, now actually create headache when patients hear about their new prices, because the prices have risen by 200 to 300 per cent, so much so that a newspaper says that it is not Triguna Sen but "Teen Guna Sen." After the elaborate machinery and after the clarifications or amendment being moved about 25 times, still the Government have missed the bus.

More basic than this to which I want to invite the attention of the Minister is that not only has there been an abnormal rise in prices but even the prices charged before 15th May were themselves in many cases abnor-

[Shri Sezhiyan]

mal. I can quote many instances wherein the prices of the imported medicines have been pushed out of all proportions in the Indian market. For example, some years ago, one medicine by name "Librium," a tranquiliser, was introduced in India by a Swiss firm at Rs. 5,555 a kilogram whereas the actual import price was Rs. 312; that is, the price was pushed up about 17 times.

Another firm was charging Rs. 230 a kilogram for Vitamin B-12 whereas the international price of the same was only Rs. 90 or Rs. 100 a kilogram. The same thing can be said of another firm which was charging about Rs. 60,000 a kilogram for a medicine called Dexamatazone. Afterwards it was found out by the Drug Controller who issued threatening warnings to that firm and said that unless they reduced the price their imports would be cut off. It was then that the firm came to its senses and from Rs. 60,000 the price came down to Rs. 16,000 a kilogram!

Also, it is not only the private enterprise that is guilty of this. Even the public enterprise, the STC, imported Chloramphenicol, an effective antibiotic against typhoid, at Rs. 100 a kilogram and sold it in the local market at Rs. 400 a kilogram

SOME HON. MEMBERS : Shame, shame!

SHRI SEZHIYAN : Therefore my point is that about all the drugs that are being imported, there is no consciousness about the price at the control level. They make 300 per cent, 400 per cent, 17 times, 18 times profit. What the Ministry or the Drug Controller are doing, we do not know. But whatever price rise has now come has come over and above the already abnormal prices that had been prevailing after the import.

The third thing I want to raise in this connection is not actually about the price but about the quality of the drugs. I recently had a talk with an eminent specialist in Madras who was pointing out very many medicines which had been given up or prohibited in foreign countries were being dumped here. For example, Rastinon, which is being widely and freely marketed and used here, has been

warned as an article to be discontinued in England. This country has become the hunting ground for all the unused, unsold and prohibited articles in foreign countries. This also should be taken note of.

What worries the most is that the present method is very haphazard and amateurish. There is no firm rule by which the price had been fixed. No cost accounting has been done. Whatever price they quote is being allowed. In our country when anybody rushes to the market to buy a medicine, he is concerned with whether the medicine is available; he does not question the price because it is a life and death problem. He just goes and pays that price. There is no bargaining. Whatever they demand is paid.

This is a social problem and the Government and the Ministry should be more careful to see that all the imports are fairly made and a fair price is given. Cost accounting should be done for all the drugs; after all, there are not very many basic drugs.

In this respect there was a report made by Dr. Hazari and another gentleman three years ago. They went into the working of all the foreign firms in India and they said that the foreign firms were able to recoup their investment within two years out of their profits. There have been some firms which were able to recoup all their investment in four years. That means, the poor public has been plundered and looted under the guise of this very drug control that you have been exercising. Though the Parliament has given you enough powers, the powers have either been misused or abused or have not been used at all so much so that the public is made to pay through the nose.

The abnormal price rise that was recently witnessed was unwarranted and uncalled for and the Government must have stopped this. Not only should the price be restored to the 15th May level, even those prices very many of which were abnormal should be brought down to be fair to the poor man.

SHRI BEDABRATA BARUA (Kaliabor) : Mr. Chairman, Sir, it would be unpatriotic on my part if I try to create more difficulties for the Minister when he is fighting one of the world's biggest swindles and,

therefore, I think, when a man says that he would like to support the Government for fighting one of the world's biggest swindles, he is helping in the cause of the country.

My hon. friend, Shri Sezhiyan said that the prices have risen. They say that they are charging the constant prices. They are wrong. Actually, as he has quoted, it is a fact that the prices in India are too high as compared to international prices and it is a fact that there have been very excessive profits made by the subsidiaries of the foreign companies.

It is a well-known fact that the Indian drugs market at the time of Independence used to import not more than Rs 20 crores worth of drugs and they were sold by the British monopoly firms. But today the position has been completely altered. At that time, the Government had no option. They were given a sort of opportunity to exploit the Indian market and these foreign subsidiaries have been in control of the entire drugs market. This type of situation that has been created in the country, I should say, is entirely due to the conspiracy of the subsidiaries of the foreign companies. And I repeat that is one of the biggest swindle in the world.

I congratulate the Minister for having taken a bold step in this direction. He has made a beginning and it will take some time. You have to find out how exactly to fight it out. It is a battle of wits. We have no doubt that we will be able deal with it. At the time of Independence, we were helpless. But we are not helpless now. Given proper understanding of the problem and proper approach to it, we will be able to deal with it.

Sir, the bringing in of the public sector plants is, actually, out of place here. They do not make much of a difference in the entire gamut of drugs industry. They form a very small part of it. The best part of it is dealt with by the foreign company subsidiaries. I have my information about the public sector drug companies. I feel that they might have been wrong in certain places. But to bring them into this affair is to try

to misdirect the attention of the House and the country to this problem.

These foreign company subsidiaries keep even the cost structure a secret thing. They will not allow us to know it. Nobody knows what is their cost structure.

I would like to quote from the U.S. Senate Sub-Committee's opinion on this affair. It is published in the *Times of India* of 16th August, 1970. I quote :

"The practice of American pharmaceutical companies selling their products to their own subsidiaries in developing countries at 'dramatically excessive prices' was sharply criticised at the hearings here yesterday of the Senate sub-committee on monopoly and small business."

"Several giant companies, including American Cynamid, Pfizer, Merck, Wyoth, Schering and Upjohn, were charged with selling antibiotics and other vital medicines to developing countries at rates ranging from 300 per cent to 11,364 per cent of European competitive prices of the same product or its therapeutic equivalent."

What I am saying is this. This has happened not only to our country but it has also happened to other developing countries. We cannot simply say as to what the Government is doing. I would like to ask : What has the Parliament done ? After all, is it not the moment when we should stand by the Government, by the Minister, and help him to face up to this swindle and do something about it constructively to battle against it. To try to show that prices have gone up, they will go up for some time possibly. It may happen this way and that way. It is for us to find out how exactly to face the situation. They would certainly create public opinion. But we should also become instruments of public opinion. We would like the old state of affairs to continue. The U. S. Senate has found that the drug firms, Chas, Bristols and Pfizer sold Rs. 80 crores worth of antibiotics to India and out of that Rs. 80 crores, the cost of the drugs was Rs. 8 crores and the profit was Rs. 72

[Shri Bedabrata Barua]

crores. This is the Senate Committee's opinion.

The problem here really is that local prices in certain sectors have gone up. The life-saving drugs do not alone determine the public demand. The prices of other drugs might have gone up in certain places. Indigenous producers are certainly at a disadvantage and we have to face up to this problem. Even big firms like Bengal Chemicals that are purely indigenous and which are not subsidiaries of foreign firms are languishing. This is the position of Indian firms. They are languishing because of the competition and other various difficulties. We have to face their difficulties also. Unless we do that, this big swindle will be able to crush all the indigenous drug producing firms and they will be again in control of the country. It will be very difficult for us to get out of this swindle. Therefore, we must not make a fetish of the patents. We must do two things. Many of the Eastern and Western countries, the developing countries, do not very much go by the patents or brand names. We have allowed them in the name of their brand names. Our doctors also prescribe by brand names or patents. The result is that our Government is purchasing only these things. Test the quality of the drugs instead of going by brand names. The Government are purchasing huge quantities of drugs. We should get rid of all these things in order to develop the country, Sir, should we so much care for all this type of etiquette that leads to a tremendous profit by a group of swindlers according to the admission of their own Senate? We should do something drastic about it, much more drastic than what has been done. That is what we want. We would like the Government to institute an inquiry to go into the cost structure of these subsidiaries. They cannot keep it as a secret. If we are an independent country, we must show our independence. I know we have fought the giant oil cartels. But here also it is necessary that we must show them their place. We must be able to face up to them.

We have got many problems. Take price reduction. The Minister has said that he will reduce the prices. He will freeze the prices to the prices that prevailed on May

16. That is a very important decision. But the point is : to freeze it it will require the co-operation of the State Governments, co-operation of all honest people, of all doctors and every section of the community.

SHRI UMANATH : What do you mean by co-operation ?

SHRI BEDABRATA BARUA : The Minister should get the co-operation. (*Interruptions*) He should get the co-operation of all sections. Suppose the State Government does not co-operate, what will be the position of the Government of India? The drug prices have to be enforced at the State level. That is the Constitution, Therefore, it is necessary to get their co-operation and to devise ways by which we can enforce this type of thing and see that the prices of drugs throughout the country are brought down to a reasonable level. It is the common man's need. The common man has been exploited for the past 25 years. Even earlier this has gone on. People have recognised that this is very dangerous to our very existence. Therefore, I hope the Government will take much more stringent steps. I know when steps are taken, all reactionary elements will put all obstacles in the way and I have no doubt that the Minister will be able to face up to them and see that those elements which are against the national interests are removed.

SHRI N. K. SOMANI (Nagour) : One of the phenomena that has gone unnoticed so far is the dual role of the functions of this Government. I have always stood by my statement that the left hand of this Government does not know what the right hand is doing. About 6 months ago, Mr. K. K. Shah, in one of his ebullient moods, called a consortium of these manufacturers in Bombay and started or initiated this dialogue which has of course been finished by Dr. Triguna Sen ; and I think, as a result of the manner in which both these Ministers have handled this unfortunate episode, they have landed the whole Government and the country in this unholy mess. I would only like to remind Mr. K. K. Shah that he should better look after the hospital administration, adulteration, disappearance and leakages

from the hospitals and leave this to some better people.

As far as Dr. Sen's Ministry is concerned, Mr. Chairman, I would like to ask one specific question. When was the Tariff Commission's Report on the Indian Pharmaceutical's cost structure submitted to the Government of India? They went into the entire price structure, cost structure etc. and the total aspects of this problem and why is it that Tariff Commission's would have been avoided and lot of confusion would have been saved if only the Ministry of Petroleum and Petro-Chemicals had come forward to act as per the Tariff Commission Report.

Now, Sir, as far as this particular administration of the unfortunate drug price order is concerned and its reversal and the curious developments that have occurred so far, I think, there is nobody else but this Government which alone is responsible for this state of affairs.

My predecessor Mr. Barua had brought to the notice of this House the racket exposed by the American Senate that many American principals from the US have been extorting huge prices to the extent that has been indicated; and Sir, I think it is a matter of regret and shame that in this independent sovereign country we overlook that kind of machinations and price structure. And we would expect that a Ministry of this size and responsibility would, before long, have challenged this kind of,—what shall I say—bungling or profiteering.

Now, it has also been said that many American companies and manufacturers have been practising this in all the developing countries. As far as my own country is concerned, I would very respectfully like to submit that this whole matter should be referred to a very high-level independent body to find out really as to in what manner they are operating. Are they operating towards service and welfare, and of course, reasonable profitability, for the people of this country, or, are they operating as per their own will, for which of course, the Government is also responsible? As for the entire developing countries, I think, the matter can easily be referred to UNCTAD, or to one of the UN bodies, because this, I

think is an extremely unpalatable and offensive practice that certain monopolists are following.

Now, Sir, whatever the Drug Price Order—whether it is an order prior to May 15 or the order now revoking this, there is a certain dichotomy that has arisen. Government have ordered the manufacturers to go back to pre-order level, and in respect of those prices that have been reduced, they have been asked to be kept at the *status-quo* level. This has to be looked into. I would like to ask the hon. Minister as to what the enforcement agency in this matter is. He has to depend upon the drug controllers in various States which are not attached to his Ministry, not responsible to his Ministry. Therefore I want to know, whatever is the size, context and the meaning of any particular order, does he not know that there are too few ill-equipped and ill-trained staff which are operating under the State Governments and the amount of corruption that is prevailing in those particular State Departments is just nobody's business? And, therefore, in regard to the enforcement of whatever Act or order that he finally chooses to bring into this country as far as this industry is concerned, whether it is the civil supplies organisation, or I would go to the extent of the C.B.I., whatever agency that may be, should be used for proper administration.

Sir, as far as racketeering of certain items that you yourself were good enough to indicate are concerned, it is an unworthy phenomenon that Rs. 1 crore worth of medicines have gone underground in Delhi. This is an unfortunate phenomenon that is recurring in this country for a long period of time. A few months ago, the Prime Minister herself in her own party, said: My own son was charged exorbitant price for petrol on the day when the Budget was declared. Where is the prevalence of law in this country? Society will continue to be cheated or be treated in this fashion unless there is also an effective implementation agency to back any order which the Minister chooses to give.

I would like to suggest that the Minister would have to look at this entire problem from three particular angles. One is the angle of the foreign manufacturers of drugs and pharmaceuticals in this country, which

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has to be tackled at a certain level after a fullfledged dialogue takes place about their working. The other is the angle of the Indian industry which is purely indigenous ; whether it be the Tariff Commission report or a fair return, once and for all, a finality will have to be given and they will have to be told that they have to operate in this or that particular manner. Then remains the unfortunate episode of the small-scale producers. These people are the worst hit. Neither do they get the raw materials in time nor do they get them at reasonable prices. So far as the organised industry is concerned, there are many people to be briefed on their behalf, but the worst sufferers in the sense that they do not know where they stand are the small-scale manufacturers. In the interests of the development of the Indian pharmaceutical industry, I would like to demand that there has to be an integrated, but of course multipronged or multi-structured or whatever other policy that Government will take, and once and for all they will have to make up their mind rather than this kind of vacillation and uncertainty, which they have exhibited so far.

Mention has been made about the price structure of the Indian pharmaceutical industry. Figures have also been cited about the IDPL. I think the biggest villain in this particular field is the role, function and the prices charged by the IDPL. We have also been told that if the IDPL was not established, if the various pharmaceutical manufacturers were allowed to import their own drugs at the normal international prices, it would save to the industry and I hope to the consumer eventually and annual sum of Rs. 7 crores, because there is a difference between the c.i.f. prices and the pooled prices fixed by the Government so far. This, therefore, certainly is not responsible public sector management ; this is some kind of extortion that is going on. And from the point of view of the consumers, protection and the problem of the healthy development of the pharmaceutical industry it is necessary that this kind of thing should not be allowed any further.

The STC is another example. They made a profit of Rs. 60 lakhs on the sale of one single item, which Shri Sezbiyan was good enough to quote, namely chlorampheni-

col. If this is one item which they import to the extent of 40 tonnes annually at Rs. 180 a k.g. and sell at Rs. 330 a k.g. then how do you expect some other people who are likely certainly to find this example and use it for their own operation, to behave better ?

Therefore, both from the profitability point of view and also from a responsible public sector management point of view, whether they use the STC or IDPL; they will have to set public standards against which nobody should be able to raise a finger.

As far as the IDPL is concerned, in its normal manufacturing operations, there is a tremendous loss and which is now set off or artificially made up by boosting up the prices of those items which are imported by the IDPL, and this certainly is a shameful episode.

I shall be less than fair if I do not quickly give you certain figures, which I think are based on facts, but which I am sure even the Minister does not have, because a lot of homework has been done in in this matter. I want to say this in fairness to Government that not all prices of drugs have gone up in this particular unfortunate exercise. Let me give some examples.

The overall cost of total therapy in TB has decreased by 2.4 per cent. I would like the Minister to confirm this, when he replies to the debate. The total therapeutic cost of enteric fever like typhoid and other things has gone down by 41 per cent as a result of the Government order and industry's cooperation. The cost of total therapy in dysentery, bacillary and amoebic has gone down by 15.8 per cent. The total cost of therapy in respiratory tract infection decreased by 45 per cent.

I certainly would like to say this that these are all therapies which are used occasionally by the common man. But there are certain things which you, Sir, were good enough to indicate, have registered some increases. For instance, take the analgesic group. Where is the justification for the Saridon manufacturers to increase the prices, while in the case of Anacin and Aspro, they have not increased the prices in

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spite of the same order? Therefore, these unfortunate increases that have occurred under the very eyes of this Government have got to be closely looked into, and I hope that before long this unholy mess of scrambling and unscrambling has been done as a result of muddled and confused thinking on the part of this particular Ministry will be set right not only in the interests of the healthy development of pharmaceutical industry.

SHRI TENNETI VISWANATHAM (Visakhapatnam): One of the previous speakers said that at this great juncture when the Minister is fighting the wickedest of monopolists of this world, we should stand by him. I am here literally standing by him. That does not mean that all that has been said by this side has been answered by that.

I will add only one thing to what has already been said. The private manufacturers are wicked. But why should the public sector plants also put up their prices? Why have they let down the Minister. Only in three cases, there is a reduction, of 10 per cent; in the case of the remaining 20 drugs produced by the state-owned factories about which inquiry was made, in 6 they have gone up by more than 40 per cent, in 4 cases between 20 and 40 per cent, in 8 cases between 10 and 20 per cent and in 2 cases between 5 and 10 per cent. It is something the Minister must ponder over. Let alone the wickedness of the monopolists, what is this Government doing with regard to its own factories charging high prices in this manner?

SHRI UMANATH: They say IDPL is an autonomous organisation.

SHRI TENNETI VISWANATHAM: There is something wrong in the management. He must have a close look in the working of the units in his own department. Three months ago the Minister was adamant and would not listen to the advice of the manufacturers who innocently wanted to cut down their prices by 25 per cent. He was crassy and did not listen to them. Today they have all combined and want to teach him a lesson. What a situation? I say,

Sir, the arm of the Government is long enough and it must be shown. There is no point in being soft with these people who raise prices unconscionably of vital medicines needed by the common man, the ailing and the suffering patient. It is most disgraceful that we should tolerate these things.

I shall give a tip to the Minister. Some 2½ centuries ago, all of a sudden the price of rice rose in the City of Madras because the rice-carrying steamers floundered in some storm at Musalipatam. Immediately the prices at Madras were put up. People come to the Government to ask them to do something. The Government told the rice merchants to charge only the proper price. It did not help. Then they issued an order. That also did not work. Next day rice disappeared from the market. The Member did not keep quiet. He went with the military and broke open rice godowns. Rice stocks came out like anything. Then the merchants relented and said: 'Please do not break open more godowns. We will charge the price you want us to.' And they did.

SHRI UMANATH: If this Government did like that, it would break.

SHRI TENNETI VISWANATHAM: Still there was one man who violated it—his descendent later became a Minister in Madras. This is recorded in the history of Fort St. George. That man was brought to the public square of Fort St. George and all the officers and men there were made to gather round and the man was publicly whipped. From the next day onwards for years and years the merchants never played tricks with the people or the Government.

18.00 hrs.

I have given this incident to the Minister to emphasise that the Minister must be very strong in these matters because, it is the common man, the poor man who is affected. Perhaps the Minister is aware that although the poor patients who go to the hospitals nowadays are expected to be treated and the Government is expected to give them medicines free, very often the Doctors only give a prescription and ask the patients who are in the general wards to purchase these drugs from the market. It is becoming an

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impossible thing. Even if I suffer from a little bronchial catarrh, the Doctors give me a prescription costing for Rs. 30 in the market when its real value is only Rs. 3.

So, I submit to the Minister that the entire House will be with him if he takes the strongest steps without giving any room for the suspicion that some of the departmental people are hand in glove with these wicked people. I say this because an hon. Member said today here that somebody told him that somebody had taken some money. It pains me very much to hear these things. This is one of the areas in which the Minister who is fighting bravely the Oil Companies can also fight these small druggists, but he should only see that his officers are not drugged by them.

श्री रामावतार शास्त्री (पटना) : सभापति महोदय, जब गत 16 मई को औषधि मूल्य नियंत्रण आदेश सरकार की तरफ से जारी किया गया था, तो आम लोगों में खास तौर से गरीबों में, यह आशा जगी थी कि उन लोगों को दवायें कुछ सस्ते दामों पर मिल सकेंगी। लेकिन जैसे-जैसे दिन गुजरते गये, जनता की आशाओं पर पानी फिरता गया। खास तौर पर जिन दवाओं का इस्तेमाल गरीब जनता, मजदूर और किसान करते हैं, उनकी कीमतों में कोई कमी नहीं हुई, बल्कि उनमें वृद्धि हो गई।

प्राप्त आंकड़ों से पता चलता है कि 35 प्रतिशत दवाओं की कीमत में 20 प्रतिशत कमी जरूर हुई है, लेकिन दूसरी तरफ 35 प्रतिशत दवाओं की कीमत में 35 प्रतिशत की वृद्धि हो गई है। इन दवाओं का प्रयोग वे गरीब करते हैं जिनको खाने के लिए भी पैसे नहीं मिलते हैं। लेकिन बीमारी में तो उन्हें भी दवाओं की आवश्यकता होती है। बाकी 30 प्रतिशत दवाओं की कीमत पहले ही ज्यादा थी, उसमें न कमी हुई है और न वृद्धि; वह ज्यों की त्यों रही है।

जिन दवाओं का इस्तेमाल आम जनता करती है, जैसे एन्टीबायोटिक्स, एन्टी-एमिबिक्स

विटामिन ए, सी, डी और बी¹², तथा हृदय रोग के पेनान्ट्स जिन दवाओं का इस्तेमाल करते हैं, उनकी कीमत में कमी नहीं हुई है, बल्कि वृद्धि हो गई है। इसके अतिरिक्त नावलजीन, कोडोपायरिन और सैरिडान आदि दवाओं का इस्तेमाल हमारे देश के करोड़ों लोग करते हैं -- केवल पुरुष ही नहीं, बल्कि करोड़ों महिलायें हर महीने पेट-दर्द के वक्त उनका इस्तेमाल करती हैं। उन दवाओं की कीमत बढ़ने से उनपर कितना असर पड़ा होगा, इसका आप अन्दाज कर सकते हैं। जो गोली पहले बीस पैसे की मिलती थी, अब वह पच्चीस तीस पैसे की मिलती है।

सल्फा ड्रग्स की कीमत भी बढ़ गई है। कुछ सल्फा ड्रग्स की कीमत 40 से 1:0 फीसदी तक बढ़ गई है। इस स्थिति में गरीब आदमी कैसे सल्फा ड्रग्स इस्तेमाल कर सकेंगे और उनकी बीमारी कैसे दूर होगी? उन्हें तो खाने को भी नहीं मिलता है। जब कोई भूख से मरता है, तो कहा जाता है कि वह कमजोर था, इसलिए मर गया। चूंकि वह गरीब है, इसलिए मर जाता है। उसके पास खाने को नहीं है, दवा कैसे करे?

सरकार ने जो कदम उठाया, उससे जितना फायदा होना चाहिए, वह नहीं हुआ। हमारे देश में अमरीका और ब्रिटेन का एकाधिकार प्राप्त कम्पनियां पहले भी ज्यादा से ज्यादा मुनाफा कमाती थीं और आज भी कमाती हैं। सरकार ने उनको नियंत्रित करने का कोई उपाय नहीं किया। आज भी कुछ दवाओं पर उन कम्पनियों की मानोपली कायम है, जिन का इस्तेमाल हमारे देश की सर्व-साधारण जनता करती है।

इंडियन सेरिंग लिमिटेड और निकोलस इंडिया, ये दो कम्पनियां एस्प्रो निकोलस से सम्बन्धित ब्रिटिश कम्पनियां हैं। उन्हें थाइरो-टाक्सिकोसिस नामक बीमारी की दवा निजोमर-केडो के उत्पादन और वितरण पर एकाधिकार

प्राप्त है। कम्पनी की सूची के अनुसार निओमरकेजो की सौ गोलियों की कीमत 14-40 रुपये है, लेकिन वह बाजार में 16 रुपये में बिकती है। लेकिन आपको यह सुनकर ताज्जुब होगा कि जिन सौ गोलियों की कीमत 16 रुपये चार्ज की जाती है, कम्पनी उनको बनाने पर केवल 10 पैसे खर्च करती है। इससे आप अन्दाजा लगा सकते हैं कि यह कम्पनी कितना ज्यादा मुनाफा कमाती है। एकाधिकार भूत कैसे भारतीयों के सिर पर चढ़कर नाचता है, यह उसका ज्वलंत उदाहरण है।

इन्हीं कम्पनियों की एक दवा सौराबिट्रेट की 20 गोलियों की कीमत 3-15 रुपये है, लेकिन उसकी कास्ट प्राइस सिर्फ 10 पैसे है। इसी तरह एक दवा न्यूट्राडोना की 12 गोलियों की कीमत 1-32 रुपये है, जबकि उसकी कास्ट प्राइस सिर्फ 5 पैसे है।

इस तरह से मानोपलिस्ट्स औषधि के क्षेत्र में एकाधिकार जमाकर भारतीय जनता को लूट रहे हैं। सवाल यह है कि इस स्थिति को खत्म करने के लिए सरकार क्या कदम उठाना चाहती है। अगर सरकार उचित कदम नहीं उठायेगी, तो आम जनता को दवा नहीं मिल सकेगी और उसका इलाज नहीं हो सकेगा। अगर सरकार चाहती है कि दवाओं की कीमत में कमी हो और गरीबों को दवायें मिलें, तो वह आई० डी० पी० एल० का उत्पादन ज्यादा बढ़ाये।

इन मानोपलिस्ट्स को जो पेटेंट राइट्स दिये हुए हैं, उनको भी खत्म किया जाना चाहिए। जब तक सरकार ऐसा नहीं करेगी तब तक वह आम जनता को सस्ती दवायें उपलब्ध नहीं कर सकेगी। सरकार मानोपलिस्ट्स पर अंकुश लगाए और उनकी कम्पनियों पर कब्जा करे। जब किसी ब्रिटिश कम्पनी या बैंक को लेने की बात आती है, तो सरकार के पांव लड़खड़ाने लगते हैं। डा० सेन के पांव लड़खड़ा रहे हैं।

मानोपलिस्ट कम्पनियों के मुनाफे को बाहर जाने से रोका जाना चाहिए। जो छोटी छोटी दवा-निर्माता कम्पनियां हैं, उन्हें विशेष सुविधायें दी जानी चाहिए, उन्हें सहायता प्रदान की जानी चाहिए, ताकि वे अपने पैरों पर खड़े हों और हमारे देश में ही दवायें बनाई जा सकें। हमारे देश में कच्चे माल की कमी नहीं है। हमारे देश में आले से आले दर्जे के वैज्ञानिक और डाक्टर हैं। वह यह काम कर सकते हैं। आप दूसरों पर क्यों निर्भर रहते हैं अमेरिका और इंग्लैंड पर? यह आपको छोड़ना होगा। तभी आप इन दवाओं की कीमत को कम कर सकेंगे और सही माने में जनता की सेवा कर सकेंगे। ऐसे लोगों को आप को सजा देनी चाहिए जो जबर्दस्ती दवाओं की कीमतें बढ़ा रहे हैं और ब्लैक मार्केट में ले जा रहे हैं। काले बाजार में दवाएं चली जा रही हैं। जो दवा बनाने वाली कम्पनियां हैं उनका उत्पादन खर्च कितना होता है इसकी आपको जानकारी नहीं है। इसके बारे में किसी माननीय सदस्य ने ठीक कहा कि कमेटी बनाकर उसका पता लगाइए और उसको नियंत्रित करने की कोशिश कीजिए तब आप कीमत कम कर सकेंगे।

आखीर में मैं यह कहना चाहता हूँ कि आप के इस कदम से दवा की कम्पनीज को एक बहाना मिल गया कि दवा का दाम तो वह ले ही रही हैं लेकिन यह जो मेडिकल रेप्रेजेंटेटिव्स हैं या दवा कम्पनी में काम करने वाले मजदूर हैं उनकी छंटनी हो रही है। दस हजार मेडिकल रेप्रेजेंटेटिव बेकार होने जा रहे हैं। उनके ऊपर बेकारी की तलवार लटक चुकी है और इन कम्पनियों के हजारों मजदूर बेकार होने जा रहे हैं। तो इनकी बेकारी को रोकिए और उन दवा-कम्पनियों पर दबाव डालिए कि वह छंटनी नहीं करें और अगर छंटनी होती है तो आपकी जवाब देही है, उन्हें कोई न कोई आल्टरनेटिव काम दें ताकि दस हजार मेडिकल रेप्रेजेंटेटिव्स और हजारों मजदूर और कर्मचारी जो दवा कम्पनियों में काम करने वाले हैं इनका रोजगार बच सके और यह दर दर के भिखारी न बन

[श्री रामावतार शास्त्री]

जाएं। यही मेरा आप से निवेदन है कि अगर आप सचमुच में भारत की जनता को सस्ती दवा देना चाहते हैं तो जिन सुझावों को मैंने आपके सामने रखा उन पर विचार कीजिए। तभी आप जनता का समर्थन ले सकते हैं और नहीं तो आपका काम नहीं चल सकता है। ऐसे आपने कदम तो बढ़ाने की कोशिश की है लेकिन यह बड़ा हाउलिंग स्टेप है। तेज़ कदम बढ़ाना चाहिए अगर आप समाजवाद लाना चाहते हैं और केवल बात करना चाहते हैं तब तो ऐसे ही चलेगा।

SHRI DHIRESWAR KALITA
(Gauhati) : Use your CRP to implement the order.

SHRI JYOTIRMOY BASU (Diamond Harbour) : Sir, this Government, after allowing the drug monopolists who are mainly foreigners to plunder for 23 years, have now started talking about control of drug prices. We have heard occasional outbursts of the late Jawaharlal Nehru on drug prices but they were never followed up because the party could not have afforded to create dissatisfaction among the patrons and masters. Unless at the present moment, the manufacturers are firmly controlled with legal and other weapons, cheaper drugs will not come so soon to all of us.

The drugs have gone underground. Your department, or somebody must have conveyed, some 'political' must have conveyed the news before time and the drugs have gone underground. Today, either pay excess or go without the drug. That is the song they are singing everywhere in the chemists and druggists shops. If I were there, what I would do is, immediate scrutiny of all records and documents of the producers, retailers, wholesalers. If you examine them, they will reveal the truth.

Early in August, following Government action, the hoodwinking producers created an artificial scarcity, and also pushed up the prices. There is an article in the *Statesman* dated 7th August, saying "400 per cent rise in drug prices." I do not want to go into

the details because other friends here have already mentioned about it. It says, "Headaches to be costlier." Then again there is another range of price rise, and the common man is affected. The monopolists make money and political power in the Centre and Congress Government collect money, subscribe and keep quiet.

In another article in the *Times of India* Bombay edition, dated 10th August, 1970, it is said by Mr. K. C. Khanna : "Drug prices muddle; hardly any relief to the consumer." I do not want to go into the details because the time is short. Again the same story : heads I win and tails you lose, and make money ; and you will keep on staring. This Government handling, is it not a deliberate softness and kindness to the profiteers ? Why is this sort of amateurish handling that you issue an order, you find it fails to tackle the problem, you issue another order and give them a quiet whisper that you are going to do this and saying, make hay while the sun shines ; and then everything goes underground ; they make a lot of money and the poor consumers suffer ?

The drug price control order came out in June and it permitted higher prices. Here is a clipping from *Hindustan Times* with the headline "New order permits higher drug prices". It says :

"The Union Government has amended the Drug Price Control Order to permit prices drug formulations to be fixed at a higher level than originally allowed."

We know your character ; we know exactly what you are capable of delivering and we have no illusions about you.

The requirements of drugs and medicines and health care in this country are much more than any other country. During the 23 years of Congress rule, there has been starvation, malnutrition, lack of proper living and adulteration in food-stuffs. Medicines must be available. Today there are about 2300 licenced manufacturers. The value of their product every year is over Rs. 200 crores. It has an investment of

Rs. 150 crores. Your imports have increased from Rs. 113 million in 1962-63 to Rs. 173 million in 1967-68. The Congress Government at the Centre today is wedded to foreign monopolists. So, 92 per cent of the drug industry is in one way or other foreign controlled and owned. As a result of foreign patents in India, they are sending royalties through the front door and back door. You become an ostrich sometimes and hide your head under the sand. Foreign patents in India are 89.31 per cent against 15.32 in America. Your foreign patents are sucking you hollow. I would like to quote from Michael Ridron's book on Foreign Investments in India. He says :

"Drugs and pharmaceuticals present all the complexities of the chemical industry as a whole with the addition of hard political bargaining...The industry has been dominated by foreign firms from its inception : of the 1600 registered units in 1954, there were only 93 large ones (including 11 government plants), 28 of which, producing two-fifths the value of finished drugs with one-tenth the labour force were under foreign control. Among these 28 are the largest firms in the country, starting with Merck, Sharp and Dohma India Private Ltd. of the United States"—your Godfather, Mr. Sen—"Johnson and Johnson Ltd., May and Baker Ltd., Boots Pure Drug Co, Ltd., the Glaxo Group".

the white men dictate to you : you bow down ; they plunder and suck you hollow...

SHRI R. D. BHANDARE (Bombay Central) : Can you not speak without abuses ?

SHRI JYOTIRMOY BASU : I have never called abuses ; you should understand the language.

To reduce the drug prices, the permanent remedy is to abolish patents. But what have you done ? You had brought a Bill during the second Lok Sabha. You torpedoed it for a fantastic sum. You brought another Bill during the third Lok Sabha to hood-wink the public and you torpedoed it. Now we are at the end of the fourth Lok Sabha just a year and a quarter remaining and you are dilly-dallying, shilly-shallying and

lobbying so that the Bill does not see the light of the day.

You have kept alive a patent system which was meant to fail the stimulation of inventions by Indians. You have been deliberately bribed politically, collectively and individually during the last 23 years so that you will allow a patent system which brought enough dividends to the foreign monopolists but failed to stimulate inventions by the Indians. You are criminals. You are not fit to be in power ; you are not fit to be given any responsibility. Even where the inventions are not patentable in the home country of the monopolists, they are allowed to be patented in India. What is it that the Swiss nationals are doing in India ? They have new substances but old process for their drugs and you have shut your eyes and you have been a party to this criminal and heinous offence.

There is an article in the *Times of India* which says that the rate of their plunder ranges from 300 per cent to 11,000 per cent. It is because of this high earning that they are able to maintain this high cost of living and you are overlooking everything.

Even the Tariff Commission, which is known to be an agent of the monopolists had to say something which you overlooked ; rather you sat over it and you shielded them. The Commission says :

"The bulk selling prices of basic pharmaceuticals and formulations range from 160 to 350 per cent of ex-factory costs and the heavy mark-ups, the highest in any comparable industry, offer considerable scope for price reduction....."

The mark-ups in respect of retail selling prices of drugs are stated to be even higher than those for bulk prices and range from a minimum of 250 per cent to as high as 2,000 per cent..... Comparing indigenous production costs with the landed costs of imported pharmaceuticals, the report finds that the local costs are between 80 per cent and 330 per cent higher than the landed costs....."

[Shri Jyotirmoy Basu]

Even the Tariff Commission were compelled to say that the plunder is by both sectors of monopolists, Indian and foreign.

I will now quote the balance sheet of Sarabhai Chemicals :

"Messrs. Sarabhai Chemicals, Pharmaceutical Division of Karamchand Premchand (P) Ltd., was founded in 1943 with an authorised capital of Rs. 50 lakhs and paid-up capital of Rs. 7,73,000. In 1952, Rs. 8 lakhs was capitalised from the reserve fund by issuing 800 non-redeemable $4\frac{1}{2}$ per cent preference shares of Rs. 1,000 each. In March, 1966, Rs. 1,28,00,000 was capitalised out of reserve fund as bonus shares in the proportion of eight new equity shares for each existing equity share, and for that year Rs. 1,43,04,000 was disbursed as dividend plus bonus shares. In 1963-64 their gross sales amounted to about Rs. 9 crores. From Rs. 14 lakhs in 1951 it came to Rs. 11.7 crores in 1966-67."

This is the outcome of patents in this country. In USA the Keafanver Commission said that there is an inverse relation between *per capita* income and drug prices.

Though the price of anti-biotics in India is almost the highest in the world, it is certainly not of the highest standard ; it is very often sub-standard and sometimes harmful. These were possible because the Congress Government had given them protection and encouragement and helped them during the last 23 years. It has been alleged and it has come out in the press that they have collected nearly Rs. 75 lakhs for the political purposes of the party. The government must come out with the statement whether they have in fact taken it. If not, how is it that they have been allowing all this mischief to be done by these fellows ? So, the actual masters of this government are these monopolists, both foreign and Indian.

If you want to protect the ailing consumers, you must help them. Even in the UK, a Tory Government had allowed import

from socialist countries of anti-biotics at one-tenth the prevalent price from where they were bringing them.

Drugs should sell under generic names. One drug must not sell under ten names at ten different prices.

It is a must that the Government must have a cost accounting institution which should examine each and every drug's cost before it is marketed and those who violate it should be given exemplary punishment.

Lastly, I shall support what Dr. Chandrasekhar had said in Chandigarh in December 1969. He had advocated nationalisation of the entire drug industry. What is stopping this Government from nationalising the drug industry which is full of evils and which is so very important for this country where the people are so down-trodden and so low.

सभापति महोदय : श्री झा, आप भी बोलना चाहते हैं, लेकिन आपका नाम तो यहाँ नहीं है।

श्री शिव चन्द्र झा : (मधुबनी) सभापति महोदय, हम किस पर विश्वास करें, मैंने आज सुबह तीन अलग अलग स्लिपें—ड्रग के लिए, बंगाल बजट के लिए और सप्लीमेंट्री डिमाण्ड्स के लिए, भेजी थीं। अब मैं क्या कहूँ, पता नहीं यहाँ पर क्या व्यवस्था है।

सभापति महोदय : आप को अवसर मिल जाएगा, आप नाराज क्यों हो रहे हैं।

श्री शिव चन्द्र झा : मैंने तीनों के लिए कागज भेजा है।

MR. CHAIRMAN : Shri Dattatraya Kunte.

SHRI DATTATRAYA KUNTE (Kolaba) : Sir, there is a saying that the poor man says, God save me from my friends. One has to say, God save me from my government whom I put in power.

If the Government had not issued any orders at all, profiteering that was going on would have gone on merrily. With the orders passed by the Government, profiteering has been augmented.

Government in all its blissful, shall I say, knowledge or ignorance made a distinction between essential drugs and non-essential drugs—I do not understand what are these things—with the result that those companies brought down the prices of certain drugs and raised the prices of other drugs like aspirin and others. Therefore, one really does not understand the essential drugs and non-essential drugs.

What is the position today? The position is that the small trader does not understand at what price he should sell the drugs. Any person who goes to a druggist says, "No, the Government has reduced the price; you are profiteering."

Then, Government said that they will make a certain percentage of profit and if their profit was more than that, they would invest it in any other sort of research. It is left to them what research is to be done or how that research is to be done. Nothing is laid down.

So, let Government, first of all, explain the position as regards all this muddleheadedness in all the orders. I think, the ex-Principal of an educational institution meant well but when it comes to practical, actual action, it has worked into a disaster. I really sympathise with him. It is because he has fallen into the hands of crooks. That is the humblest word I can use. In *Shri Bhandare's* dictionary it is an abuse but let him suggest any other word and I am prepared to accept it.

SHRI R. D. BHANDARE : Your dictionary is quite a big one.

SHRI DATTATRAYA KUNTE : I do not want to hurt *Shri Bhandare*.

This is exactly what is happening. One instance was cited just now. It was of an Indian firm. The foreign firms which have been here are making huge profits. The profits have been so huge that within a year

or two they recoup all the investment in spite of the fact that they spend very heavily for all the foreign personnel stationed in India. I do not know if it is at all necessary to bring in those foreign personnel at all. They come here and enjoy fabulous salaries. That is how the rents of apartments have gone up, because the companies rent all these apartments. That has got to be taken note of.

Originally also the profits were very high. Now when the Government is wanting to take certain authority, I do not want use the rod. They did not use the rod. Let them use their commonsense and intellect to see that all this profiteering is stopped.

If it is not going to be stopped, well, you can shut out all these shops. It is not going to affect the health of the country either way. Or you take it over. But the way the I.D.P.L. runs, I cannot say, "You take it over." The I.D.P.L. has three factories, one in the north, another in Hyderabad and the third one in the south. Well, they produce those instruments and you cannot sell them in the market. In that respect, there is nothing to choose between USA and USSR. And these three factories have come up with USSR aid. There is nothing to choose. This is because we go in for aid which is supposed to be not with strings. What he was referring to an investigation by the sub-committee of the American Senate referred to all those purchases of India and other developing countries out of the money advanced in the form of aid.

What is the story of aid? Look at the steel plants. There also, the same thing is happening. A Russian worker working in Russia will not be able to get more than 200 roubles. But when he comes to India, he must be given not less than Rs. 2000. I do not know why. In the matter of aid, there is nothing to choose between the West or the East. We should refuse to take aid. If we had not taken all this aid, we would have been better off. The people would have known how to cut the coat according to cloth.

The story of the Patents Bill is a glaring example. I may point out that I am told

[Shri Dattatraya Kunte]

the Joint Committee on Patents Bill—I am not talking of the Joint Committee of the Fourth Lok Sabha but of the previous Lok Sabha—wanted to go abroad and visit some places. My hon. friend, Shri Bedabrata Barua, was suggesting that in the matter of patents, you take away the patents. Will he look into the Patents Bill as reported by the Joint Committee? The Joint Committee has watered down what the original Bill wanted to do.

Now, when are we going to pass the Patents Bill? It says, the period should be seven years from the date of the passing of the Bill. It started in the Second Lok Sabha. Seven years have already been over. Why not get it passed immediately? There are my friends on the right who have amendments to raise it to 10 years. I do not understand why. Do they want the free enterprise to indulge in free looting? Actually, this Patents Bill was on the agenda paper for this week. I do not think my friends like Shri Bedabrata Barua would tell the Government to bring this Bill before the House in this session and get it passed. Let us pass it in half an hour and remove all the patent rights. I know my hon. friend will say, "What can I do?"

Today, I am told—I do not want to say anything—when some young turk shouted something, he was told, "You might shout. But the public does not follow you." He will get the report later on.

SHRI N. K. SOMANI : Tomorrow.

SHRI DATTATRAYA KUNTE : This is the position. Are we really clear in our mind that we want to take away all the patent rights. If they do not want us to use patents, well, we should quietly tell them, "You go away lock, stock and barrel from this country." We have to be very clear in our mind about it. A situation is going to arise when people will say, "Save us from the Government which we created." My hon. friend said that we should stand by the Government shoulder to shoulder. With whom is he standing by? Government—what sort of a Government?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS, AND MINES AND METALS (SHRI D. R. CHAVAN) : A good Government.

SHRI DATTATRAYA KUNTE : I really do not know. The Minister of State says, it is a good Government. He should not have said that. Even in joke, he should not have said.

SHRI D. R. CHAVAN : Why not? It is a good Government. You are entitled to have your opinion. We are entitled to have our opinion.

SHRI JYOTIRMOY BASU : Good for whom?

SHRI DATTATRAYA KUNTE : On this particular question, if the Minister is going to justify what has happened from 16th May upto now, well, let him convince the public, not only in the four corners of this House where one is protected. Let us go outside and face the public.

Therefore, your Government may be good in certain respects. I do not blame in their good parts. You are not 100% good. You say you are 100% good. It is left to you. Look into the mirror and form your opinion. But when you are discussing a serious question, let us cut across Party lines and discuss what we really want. Therefore, what I really want to say is : Dr. Sen meant well. Let him act well. If he does not act well, whatever be his good intentions—good intentions many times do not lead us to heaven but somewhere else—may God save us.

श्री शिव चन्द्र झा (मधुबनी) : सभापति जी, सबसे पहले तो मैं वही बात कहना चाहता हूँ कि वेस्ट बंगाल पर श्री देबेन सेन का नाम था जनरल सप्लीमेंट्री डिमान्ड्स पर एक मेरा नाम है और उसके साथ साथ ड्रग्स पर बोलने के लिए आज सुबह मेरा नाम दिया गया था लेकिन बड़ी हैरानी की बात है कि वह आपके पास क्यों नहीं है। दूसरी बात यह कि कल लैंड पर बोलने के लिए हमारी तरफ

से कोई नाम नहीं गया है लेकिन दो दवा मुझ से पूछा गया कि आपकी तरफ ते कौन साहब बोलेंगे। आज मैं यहां बैठा हूं, थोड़ी देर के लिए मान लीजिए कि नाम नहीं भेजा गया है तो क्या जो व्यवस्था कल के लिए हो सकती है वह व्यवस्था आज नहीं हो सकती है—क्या आज नहीं पूछा जा सकता है कि हमारी तरफ से कौन बोलेंगा? जब यहीं पर ऐसी खराब व्यवस्था फैली हुई है तो देश में, खासकर ड्रग के सम्बन्ध में ये क्या करेंगे? कुछ नहीं कर सकते हैं। जैसी अव्यवस्था फैली हुई है उसके अन्दर आने वाले दिनों में भी कोई अच्छी चीज की उम्मीद नहीं की जा सकती है।

आज से कुछ साल पहले सन् 1953-54 में मैं काउन्सिल मेमोरियल हास्पिटल, वर्कले में एडमिटेड था। वहां पर मुझे कार्टिजोन लेनी पड़ती थी। वहां के डाक्टर मुझ से कहते थे कि कार्टिजोन हिन्दुस्तान में नहीं होती है। आज 15 साल हो गए, मैंने एक दो से पूछा भी कि क्या हिन्दुस्तान में कार्टिजोन बनती है या नहीं तो कोई खास जवाब नहीं मिला और मुझे शक है कि कार्टिजोन जोकि एक बहुत जबर्दस्त दवा है, उसको बनाने में हिन्दुस्तान सफल हो सका है। और भी बहुत सी दवायें हैं जिनके नाम यहां पर गिनाये गए उनको बनाने में भी सरकार कामयाब नहीं हो सकी है, जिन दवाओं की बहुत सख्त जरूरत है। एक छोटी सी दवा स्नेक बाइट की है, उसके लिए भी सरकार ने कोई परफेक्ट दवाई नहीं निकाली है। काटने पर ही अगर वह दवा मिले तभी कुछ इलाज किया जा सकता है वरना देर हो जाने पर उसका कोई असर नहीं होता है। इस देश की 53 करोड़ जनता के लिए वह दवा कितनी अहम है उसको कहने की जरूरत नहीं है। तथाकथित कल्याणकारी सरकार का साईनबोर्ड लगा करके भी इस सरकार के द्वारा कोई खास काम नहीं हो रहा है। यह सरकार जो नीति परस्यू करती है, जैसे की रीसेन्टली सरकार ने ड्रग

प्राइस कन्ट्रोल आर्डर निकाला जिसको लेकर ड्रग उद्योग में बड़ी हलचल है, वह बिल्कुल हैफेजर्ड है। जब तक सारे ड्रग उद्योग को हिस्टारिकली और साइंटिफिकली नहीं देखा जायेगा तब तक आप ड्रग प्राइसेज को कन्ट्रोल नहीं कर पायेंगे बल्कि दवाइयां ब्लैक-मार्केट में और अन्डर ग्राउन्ड चली जायेंगी जैसा कि यहां पर बताया गया कि सौ करोड़ रुपए की दवाइयां अन्डर ग्राउन्ड चली गई है और आपका कन्ट्रोल कन्ट्रोल ही रह जायेगा, बेचारी जनता उस में सफर करेगी। अब सवाल यह है कि ड्रग की प्राइसेज को लेकर आप ड्रग उद्योग को निष्पक्ष रूप में देखें। इस उद्योग में काफी मुनाफे कमाये गए हैं। 1966-67 में 8.60 करोड़, 1967-68 में 8.75 करोड़ और 1968-69 में 10.21 करोड़। ये तो ग्रास प्राफिट्स हैं। इसके अलावा नेट प्राफिट्स भी उन्नीस तरह से हैं सन् 65 से 69 तक : 2.95 करोड़, 3.21 करोड़ और 4.47 करोड़।

कहा जाता है कि कास्ट बढ़ी है। उसमें भी आप देखेंगे 66 परसेन्ट सन् 66-68 में प्रोडक्शन कास्ट बढ़ी है लेकिन जो मजदूर उसमें काम करते हैं उन पर ज्यादा खर्चा नहीं बढ़ा है, वह 22 परसेन्ट ही बढ़ा है। हकीकत में इस उद्योग में जो काम करते हैं उनको जो फायदा होना चाहिए उस पर कोई ज्यादा खर्चा नहीं किया गया है। खर्च होता है दूसरी बातों पर, लेकिन सेलरीज एण्ड अलाउसेज पर खर्च नहीं किया गया है।

आप देखिए कि हमारे देश में ड्रग उद्योग में कितनी फर्म्स हैं। मोटे तौर पर 118 बड़ी फर्म्स हैं, 42 फारेन कोलंबोरेशन की हैं और 2,000 के लगभग मीडियम एण्ड स्माल फर्म्स हैं। इस तरह से यह मुनाफाखोरों का उद्योग है। यह लोग काफी मुनाफा बना रहे हैं। फारेन कोलंबोरेशन जो होता है उसकी बदौलत वह लोग अपना मुनाफा बाहर भेज रहे हैं और हिन्दुस्तान का शोषण कर रहे हैं। यहां के उद्योगपतियों के ऊपर भी सरकार को ध्यान

[श्री शिव चन्द्र झा]

रखना चाहिए। इन सब बातों को नजर रखकर सरकार को नीति बनानी चाहिए। वह नीति कैसी होनी चाहिए ?

मैं सिर्फ यह कहना चाहता हूँ, जैसा श्री ज्योतिर्मय वसु ने कहा, कि जो आपके ड्रग इंडस्ट्री है प्राइवेट सेक्टर में उसको आप नेशनलाइज कर लीजिए, यदि आप में हिम्मत है और आपकी नियत साफ है। इन्साफ का तकाजा है कि चाहे आडिनेन्स के जरिये हो या चाहे जैसे हो, आप इस उद्योग का नेशनलाइजेशन कर दें। लेकिन यदि आप में हिम्मत नहीं है और आपकी नियत साफ नहीं है, तो इसके लिए मैं दूसरा आल्टरनेटिव यह देता हूँ कि जो आपकी फारेन फर्म्स हैं उनका आप नेशनलाइजेशन कर दें। जो फारेन उद्योगपति हैं वह हमारे देश का एक्सप्लायटेशन कर रहे हैं। इसलिए नहीं वह यहां पर है कि वह आप को राहत देना चाहते हैं, आप की सहायता करना चाहते हैं, वह इसलिए यहां पर दबायें देते हैं कि वह आपको एक्सप्लायट करना चाहते हैं और हमारे देश को एक्सप्लायट करना चाहते हैं। वह तो एक्सप्लायटेशन करते ही हैं, लेकिन देश का एक्सप्लायटेशन हो यह हमारे यहां के उद्योगपति भी चाहते हैं। इसलिए जो भी फारेन ड्रग कंपनियां हैं उन का नेशनलाइजेशन आप कर दें।

आप देखिये कि एक ड्रग टेद्रासाइक्लीन है जो अमरीका की कंपनी फाइजर्स की है। वह लोग हिन्दुस्तान में उसको 122.50 रु० प्रति 100 के हिसाब से बेचते हैं जब कि अमरीका में उसकी कीमत 29 रु० है। यहां एक बूसरी कमेटी का भी रिफरेंस दिया गया है। इस कमेटी की फाइंडिंग है कि जो दवा हिन्दुस्तान में 40.6 सेंट्स प्रति कैप्सूल बिकती है वही अरजेंटोइना में 7.4 सेंट्स प्रति कैप्सूल बिकती है। कारण यह है कि अरजेंटोइना में पेटेंट की बात नहीं है। जिन देशों में पेटेंट ला नहीं है वहां पर दवाओं का दाम

दूसरे देशों के मुकाबले बहुत कम है। लेकिन हिन्दुस्तान पेटेंट ऐक्ट के चक्कर में आया है इसलिए वहां पर दबायें मंहगी मिलती हैं। इसके लिए मेरा तीसरा अल्टरनेटिव यह है कि रिजर्व सम ड्रग्स फार स्माल एण्ड मीडियम फर्म्स। जो छोटे उद्योग हैं उनको इसके उत्पादन का काम दिया जाए। यदि आप फर्म्स को नेशनलाइज नहीं कर सकते तो स्माल उद्योग के लिए दबायें रिजर्व कर दीजिए।

मेरा चौथा सुझाव यह है कि आप पेटेंट ऐक्ट में परिवर्तन लायें। जो यह आल्टरनेटिव है उसके लिए आप जल्दी बिल लायें और उसको पास करें। इससे जो थोड़ी बहुत राहत हो सकती है वह आप दें।

पांचवां आल्टरनेटिव यह है कि यदि आप ड्रग्स का इन्तजाम ठीक से नहीं कर सकते तो आपको हास्पिटल्स की व्यवस्था को सुधारना होगा। खाली ड्रग्स से ही स्वास्थ्य का काम नहीं चलता है। आपके सामने ही विर्लिंगडन अस्पताल है। इसको तो स्लाटर हाउस की संज्ञा दी जा चुकी है। डा० लोहिया की हत्या यहां पर ही की गई थी। हास्पिटल के अन्दर उनकी हत्या की गई थी, उसकी भी जांच होनी चाहिए।

यदि आप यह भी नहीं कर सकते तो जो आपके इन्स्पेक्टर्स हैं, जो एक्सप्लायट करते हैं, जो गुनाह करते हैं और मंहगी दबायें बेचने वालों को नहीं पकड़ते उनको सजा दी जानी चाहिए। यदि आप ड्रग उद्योग के लिए यह भी नहीं कर सकते तो ज्यादा अच्छा होगा कि तीनों मंत्री मंत्रालय से हट जायें। मेरे यही पांच सात सुझाव हैं।

SHRI MANUBHAI PATEL (Dabhoi) ;
Mr. Chairman, Sir, I would not have waited for a long time if I had no concrete suggestions or constructive suggestions to offer on this subject. Sir, Mr. Barua when he spoke, was thinking all the while that other members of the House have got no

faith in the social objectives behind this Drug price control.

But let me assure you that we are along among those who believe in the social objectives and believe that they should be achieved at the earliest possible time. But by saying that only we cannot achieve the objectives, because mistakes can be there not only on the side of the monopolists or the producers or manufacturers, but also on the part of Government, and we must be open to correction if we have committed mistakes, committed by Government also.

It was unimaginative and uncalculated on the part of the Government machinery which had gone into half-hearted measures. as a result of which we have entered into the whole bungle and the common people are suffering due to the inefficiency of the Government machinery.

Did I not raise two or three issues at the last meeting of the consultative committee and suggest certain measures which should have been taken by Government? Government were very late in taking those measures. For instance, the pooled prices were not announced; the revision of bulk drug prices was also not announced, and the Finance Ministry did not revise the excise levy rates. On these three things depended the calculations of the prices which were to be declared on 31st July. These should have been done before that, but the Government did not do them in time. On that day when we met in the consultative committee, the Minister announced that the Cabinet had taken that decision only on that day. These late measures also contribute to the rise in prices.

Did I not write a letter to the hon. Minister as long back as 25th June in which I had suggested certain measures? For the information of my hon. friend Shri Bedabrata Barua, I might mention that I had suggested in my letter that at the earliest opportunity Government should abolish the monopoly with Voltas. Even the IDRL has its own selling agencies. Government had given a monopoly to Voltas, I had suggested that that monopoly should be abolished.

Did I not suggest also in my letter of 25th June specifically that all foreign firms

should be compelled to reduce their equity participation to 25 per cent? Did I not also suggest that foreign firms which had more than 25 per cent equity participation should be debarred from manufacturing tablets, capsules, injectibles, liquides etc.? because we had sufficient technical know-how for this in the country and that they should confine their manufactures only to certain sophisticated items? Why did I suggest all this?

We are also against the monopolists, because it is only the producers who produce things in the interests of the people who can help in achieving the social objectives. That was why I had suggested also certain other measures.

I did suggest that certain items were going to be in short supply, items like penicillin, streptomycin, Vitamin C, INH, BAS etc. They were in short supply. Why has the STC not been able to import them in time? I had suggested in my letter that if within 50 days the STC could not import those articles and supply those drugs, then the medium and small-scale industries should be allowed to import them directly. Did I not suggest that? I had suggested that also.

Then, regarding non-essential drugs, what is the difficulty? I had suggested as long ago as during the time of the discussion of the budget Demands that IDPL had out-of-date machinery and out-of-date technical know-how. Shrimati Tarkeshwari Sinha had given the figures already and pointed out that in the case of folic acid, the c. i. f. price was Rs. 250 whereas the IDPL price was Rs. 1300. The hon. Minister may deny that. But these are the facts with us. When the public sector materials are supplied at 500 per cent high prices, how can you expect the other producers to sell them at a lesser price?

Then, the policy of canalisation in essential drugs seems to be totally wrong. Just as in foodgrains it is not there, likewise, in drugs also, the canalisation should be abolished.

Another difficulty is the question of imports from the rupee areas only. These rupee areas do not produce all the drugs

[Shri Manubhai Patel]

we require ; they purchase them at 40 per cent higher prices and sell them at 40 per cent higher prices, and we are obliged to purchase them because that is our policy.

As Shrimati Tarkeshwari Sinha has said, there is no co-ordination between the Petroleum and Chemicals Ministry and the Finance Ministry. You charge 60 per cent customs duty on imports ; you are not prepared to reduce that. You are not prepared to reduce $7\frac{1}{2}$ —10 per excise duty. How do you expect that other prices will come down.

All the constructive suggestions which have been made should be taken into account without which however much Government may try to reduce, prices will not come down. On the other hand, if this is not done, the prices of the non-essential drugs especially sulfa drugs will go up from 30 to 40 per cent and they may even shoot up by 100 per cent those of essential drugs also will go up in the same way.

These are the things Government should do. There is no use making charges as Shri Barua on the other side did. It was made out as if we are supporting the monopolists. That is not the case. We made these constructive suggestions because we believe in the social objectives. Government should have taken certain steps, correct steps, in the light of the suggestions made by us. But when we say these things, it is argued as if we are supporting the producers. This is not the correct approach.

Therefore, Government should look into all these aspects and into the details of the errors, defects and inefficiencies of the government machinery and take corrective steps. Unless we do that, we are not going to achieve the social objectives which we all support. I for myself and my party support the Government policy. I never doubt the bona fides and sincerity of the Minister. He tried his best but at the same time, he should plug certain loopholes which exist. Then only matters can be set right.

MR. CHAIRMAN : The hon. Minister.

THE MINISTER OF PETROLEUM AND CHEMICALS, AND MINES AND

METALS (DR. TRIGUNA SEN) : I heard with rapt attention the observations made, by hon. members regarding drug prices. You are aware that I stated on the floor of the House that the main objectives of the scheme were (a) to bring down the prices of those essential drugs whose prices have generally remained high, (b) to evolve a scheme of price structure which could be applied uniformly to all firms and all products, (c) to curb excessive profits and (d) at the same time to provide sufficient incentives to the industry to continue its growth from the basic stage, develop research facilities and expand in such a manner as to provide diversification of entrepreneurship, further development of the industry and avenues of employment for Indian personnel with requisite technical qualifications.

SHRI JYOTIRMOY BASU : Whose profit is he going to curb—of the Indian manufacturers or the foreign ones ?

DR. TRIGUNA SEN : Foreign and Indian.

SHRI JYOTIRMOY BASU : He could not touch them.

DR. TRIGUNA SEN : To achieve these objectives, as I mentioned, we promulgated this Drug Price Control Order of 1970. I also explained that the salient points of this Order are that (1) selling prices of 17 essential bulk drugs have been fixed as per the recommendations of the Tariff Commission ; (2) in the absence of a detailed inquiry into their cost structure.....

SHRI JYOTIRMOY BASU : Why have Government been sitting tight on the report of the Commission for two years ?

DR. TRIGUNA SEN : ...the prices of other bulk drugs have been frozen at the levels prevailing immediately before the promulgation of the Order ; (3) a formula has been devised for calculating the prices of all formulations on the basis of the fixed or frozen prices of bulk drugs and certain fixed conversion and packaging costs for which norms have been laid down ; (4) the minimum trade commission payable by the manufacturers to dealers has been fixed, and

(5) an alternate scheme of pricing which is optional, subject to specific approval of Government, has been provided based on the same formula to allow some flexibility in the fixation of prices, subject to ceilings in respect of profit as well as mark-up over ex-factory costs for calculation of the retail selling prices.

The hon. Members should recollect that on the 30th April when the Government announced its decision to reduce the prices, the scheme was fully supported by the hon. House. The people welcomed the measure throughout the country, but the industry was alarmed at the prospect of a severe cut in its profits. The druggists, chemists and other middle level functionaries were upset because of the impending cut in their commission, and concern was voiced about the wisdom of this policy of drastically reducing the prices of drugs, as this would hamper the growth of the industry which has made such rapid progress during the last decade. It was also pointed out that the prices of drugs had been frozen since 1963 without at the same time freezing the rising cost of raw materials, and hence such reductions would not be helpful.

This concern was ventilated by the Indian press also while supporting the Government decision to reduce the prices. Some of the manufacturers even threatened closures. Even yesterday I had a long discussion with my hon. friend Mr. Ashoka Mehta. He was also concerned that unless a micro-analysis is made into the costing of the drugs, it is very difficult to say whether, with these reductions, the industry will be able to have its growth and also research and development for its production. There was a doubt in the minds of many people that with this reduction perhaps the industry would not grow.

You are all aware of the practices of some of the major collaborators of the foreign-based pharmaceutical companies operating in this country. The House would remember how the important pharmaceutical companies like Pfizer, American Cyanamid Company and Bristol-Myers Co., etc., had to be convicted for anti-trust offences in their own country. The conviction of Pfizer and Lederle for contravening Drugs Act took place at the time of the late President

Kennedy. Recently, hon. Members would have also read Senator Nelson's statement regarding the 'dramatically excessive prices' that are being charged in developing countries by "the drug majors." I might also mention how "Librium": was imported by Roche in India at one stage at a c. i. f. price of Rs. 6,246 per kg.—not Rs. 5,000 as mentioned by the hon. Member—while this drug was available from Italy at a price of Rs. 200 and odd. The Government had to impose a ceiling on the imported price of this drug to prevent its being brought at such an exorbitant price. There are also many other similar examples which appear to indicate that certain unethical practices are being encouraged by some of the leading foreign firms. It has been stated that these firms are rigging up the prices of a large number of medicines.

SHRI JYOTIRMOY BASU : A shocking statement by the Minister.

DR. TRIGUNE SEN : True facts I must state.

SHRI JYOTIRMOY BASU : What were you and your colleagues doing for the last 23 years? You owe us an explanation.

DR. TRIGUNA SEN : I did not disturb when you spoke.

SHRI JYOTIRMOY BASU : I am within my rights to ask a question.

DR. TRIGUNA SEN : He has asked questions, I have to reply.

We learn that the foreign owned companies were earning a profit, after tax and before depreciation, which would bring their investment back within two years. Foreign majority companies were taking just a little over four years to take back their investments. So, taking advantage of the huge protected internal market, they were indulging in these things, because of which all of us are worried.

19 hrs.

I would like to make it clear here that the Government never acted in haste in promulgating this Control Order. *Exten-*

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sive and detailed consultations and deliberations had taken place at all levels including the advice of experts wherever necessary. The Government had been dealing with this industry for the last 15 years or so. The Tariff Commission spent 2½ years by studying this problem before recommendations were made regarding the pricing structure to make them available at reasonable prices. The structure of the Control Order is well-conceived and well designed to achieve the policy objectives and I have no doubt whatsoever that it will work well.

It is also not as if I did not seek the cooperation of the industry. In fact, I discussed with them individually and collectively in series of meetings since February, 1970. In spite of the several meetings data relating to cost of production either of the basic drugs or of the formulations were not forthcoming. As a matter of fact when I asked a European manufacturer what was the cost of production of his drug, he replied that it would have taken him two years to calculate that. He thought that I did not understand that his firm was carrying on his business in this country without knowing the cost of production. I understand the difficulties of costing about 10,000 formulations. Unfortunately the Government also could not find out the cost structure of the drugs manufactured by the big firms. Anyway, in spite of all these things, I had also taken care to hold detailed discussions with stockists and retailers.

The Government's only desire has been and is to ensure the availability of drugs at reasonable prices. Without any dislocation either in production or distribution. It sought the cooperation of all concerned agencies as we wanted to bring about this substantial reduction in a smooth and orderly way by enlisting the cooperation of the industry and traders. With this in mind we have all along been showing our willingness and anxiety in getting such cooperation. In fact, the alternate pricing scheme was included in the Government Order only to accommodate the genuine difficulties of the industry particularly in the Indian sector. A good measure got done with the consent and goodwill of the concerned partners is always preferable. The talks held after the issue of the Control

Order did give me indications that industry would cooperate with Government. The objective of the Government had also been made clear to the industry. We did not, therefore, anticipate the industry would increase prices like this on items of day-to-day use. The formula gave them a framework to revise prices.

I must admit that in this context, I expected the industry to rise to the occasion and discharge their social obligation as co-operation had been assured to the Government in implementing this Order in its spirit in all earnestness. It was not correct that in the case of day-to-day household remedies, and in respect of anti T. B. drugs or anti-diabetics drugs or common analgesics any of the pharmaceutical companies should have gone to the extent of increasing prices marginally in many cases but considerably in some cases covering about 16% of the products for which we have so far received the price lists.

I need not take the time of the House in giving the list of the drugs for which prices had been reduced which as some hon. Member, perhaps Mr. Somani, calculated to be about 44 per cent but others have gone high up. My thinking of co-operating with the industry was, as I have said before, because I did not like to disturb the channels of production and distribution.

Sir, they agreed—most of the druggists whom I met these days I have ascertained the views of some of the manufacturers with whom we had discussions earlier and have found full confirmation for the fact that the industry had fully understood and accepted the purpose of the alternative pricing scheme, and the large number of manufacturers by and large adhered to the spirit of the scheme. They themselves have been greatly disturbed over the increase in prices that have been made by a few of the manufacturers which is hurting the consumers and has gone against our policy objective of bringing relief to the consumer.

Even last Monday, the representatives of these manufacturers came to my Ministry and suggested that the Government should not issue the order to freeze the prices and that they would themselves do it within 24

hours. They said that they would be coming on Tuesday to get the list and send telegraphic information to all the retailers in the country to go back to the former prices for these day-to-day products. I was surprised that on Tuesday, at about 12.30, they said they required about 10 days more to consult everybody. I was told that they were sure that a tempo would be raised in the country, both in Parliament and outside, to censure the Government and take away or cancel this Drug Control Order. So they went back.

In this situation, I took the decision to amend the Control Order to freeze the prices in respect of all formulations where the manufacturers have, in the revised price-lists which became effective from 1st August, shown an increase over the prices that prevailed on the 31st July. This order was passed on 18.7.1970, and the prices of all these formulations now, where increases had been made, stand reduced to what they were before with immediate effect. Clarificatory letters have been sent to all the associations of manufacturers and retail chemists explaining the implications of the amendment order. Civil Supplies authorities of State Government and State Drug Controllers have also been requested to see that the industry and the trade strictly implement the provisions of the amendments order. It is open now to industry, as it should be, to obtain Government's prior approval to any increase in prices that they consider would be justified under the terms of our policy objectives and within the framework of our order.

Doubts were raised, why provision for this alternative pricing scheme was made in the drugs order, I think, by Mrs. Trakeshwari Sinha. They wanted to say that by this we perhaps made a provision to make money which Mr. Jyotirmoy Basu very eloquently hinted at. Before the present price control was introduced, you all know that the prices of drugs were controlled under the provisions of the Drug Prices (Display and Control) Order, 1966. Under this order, the prices were frozen at the 1963 level and were allowed to be revised only to the extent of increase in raw material cost. For the new products, however, prices were fixed with a mark-up of 150 per cent on the ex-factory cost. It has been

our experience that most of the big foreign firms were not coming forward for any price revisions, the obvious reason being that their mark-up was fantastically high, and they did not want the Government to know that all these years. It was only mostly the Indian firms that used to come for price revisions and also for fixation of prices of new products. We, therefore, felt that by the alternative pricing scheme, we would by and large achieve two objectives, namely, (1) the prices of products manufactured by some of the reputed foreign-controlled firms would come down appreciably and (2) the interests of the Indian sector of the industry will not be affected. It was also noticed that the percentage of gross profit to turnover was very much higher than 15 per cent in some of the foreign firms while it was less than 15 per cent, in some cases only 6 or 7 per cent, in the Indian firms. We therefore put a ceiling of 15 per cent gross profit, so that while profits of foreign-owned and foreign-controlled firms would come down, the profitability position of the Indian firms would not be greatly disturbed. We said, if at the end of the year, any firm finds that it has made more than 15 per cent, this excess amount should not be spent by the firm in any way it likes, but Government will direct them how to spend it.

SHRI UMANATH : When you say it should not exceed 15 per cent, why should they violate it ?

DR. TRIGUNA SEN : It is not a question of violation. Mr. Somani can understand it. If after one year they find that they have made, say, 17 per cent, what do they do with that 2 per cent ? We have put a restriction that they cannot show it as profit or dividend to be given to the shareholders, but this money will be spent as directed by Government. The idea was to collect money and have a pool for research and development for the whole industry, just like a cess.

Therefore, the alternative pricing scheme was meant to help the small and medium Indian sectors.

Members have criticised, and rightly so, the performance of IDPL. The House knows

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that in the IDPL, Government have invested Rs. 56 crores upto 31st March this year and it has incurred a total loss of Rs. 21 crores, including a depreciation of Rs. 4.71 crores and interest of Rs. 7.12 crores. That means a net loss of about Rs. 9 crores. The House also knows the various problems IDPL had to face all these years. Only during last year it has started regular production. When I first took over, the sale proceeds in 1968-69 of IDPL's Hyderabad plant were only Rs. 64.92 lakhs, but in 1969-70, we could raise it to Rs. 335.05 lakhs. As I said during my budget speech, if it could work well, I think there would be a break-even within 2 years.

Let us see the comparative prices of formulations manufactured by IDPL and by other companies. Take analgin. For a pack of 1000 IDPL charges Rs. 144.

But Hoechst, a foreign firm, charges Rs. 324. In the case of Diethyl carbamazine citrate the charge of IDPL is Rs. 13.49 and that of Cipla Rs. 24. For Isoniazid whereas IDPL charges Rs. 32.36 for a pack of 1000 the rates of other firms are Deys Rs. 26.00, Pfizer Rs. 34.98, Sarabhai Rs. 36.29 and Glaxo Rs. 25.47. For phenobarbitone IDPL charges Rs. 25.67 for a pack of 1000 and Martin and Haris charges Rs. 25.95, more or less the same rate. So, the foreign firms are charging more than what is charged even by IDPL.

SHRI JYOTIRMOY BASU : Why do you allow it ?

DR. TRIGUNA SEN : As I have said in the beginning, unfortunately, government have failed to find out the cost of production in the country. We have appointed a Bureau of Industrial Costs and now we have referred to them the costing of each and every formulation. After hearing from them we will be able to find out the actual costing and then fix the prices.

SHRI UMANATH : When these firms are refusing to divulge the cost of production, why do you wait for this report? You can

take an *ad hoc* decision to reduce the prices.

SHRI JYOTIRMOY BASU : You can stop their quota and put them out of business.

DR. TRIGUNA SEN : It is not the intention of the government to make the manufacturers, who are co-operating with the social objective to suffer any loss. It is certainly the government's intention to take all steps to ensure that drugs are available to the common man at lower prices. In this I would like to have the whole-hearted support of this House. I would plead with you to treat this as a national issue and give us such advice which would help us to bring relief to the consumers.

Sir, you will admit that it is our elementary duty to make drugs and medicines available to the suffering humanity at reasonable prices. I know that is going to be a tough fight against the international monopolists who want to try and make profit at the cost of suffering humanity. I know it. Therefore, in all sincerity I would appeal to the people of the medical profession to join this basic fight against the racketeers. I know some of the people of the medical profession will have to suffer inconveniences because they will not be getting free samples and other amenities offered by the foreign firms. I appeal to the people outside, the consumers, to be vigilant against the profiteers and blackmarketeers.

SHRI UMANATH : When drugs have gone underground what do you propose to do ?

DR. TRIGUNA SEN : I will explain it, I will appeal to the press and advertising agencies also because these firms usually spend large sums of money only on advertisement, they will also have to reduce the advertisements to reduce the cost of the drugs. I appeal to them that this is a national cause and they must stand up to resist this. We have requested the local authorities and the State Governments to strictly enforce the order. So far as this Ministry is concerned, its mind is open.

We will allow the industry to grow on justice and fairplay to the common man and we shall go all out to help those who have been co-operating with us to achieve these objectives. But about those who will not play the game fair, either in production or in distribution, we will not hesitate to recommend to take over their management. They should realise that gone are the days when they could fool the Indian people and plough profit at the cost of the suffering humanity.

Shri Goyal and many of you have said that the drugs have already gone underground. He read out a report that Rs. 1 crore worth of drugs have gone underground in Delhi itself. This is why I appeal to the traders not to trade with the suffering humanity. You will be very happy to hear, that the druggists and chemists of Delhi this morning met and decided to sell the old price even though they have not received any order from the manufacturers. I wish, the druggists and chemists of all the States all over India will follow their example.

There were newspaper reports yesterday, as you said, Sir, to the effect that drugs, particularly household remedies, have vanished from the market. Dealers are taking the line that since they obtained the drugs at higher prices after 1st August, they would not like to sell the same drugs at a loss unless the manufacturers agreed to reimburse their losses. But because there are good people in society, the country is going. I am told, there is no drug or medicine shortage in Connaught Circus, Connaught Place, Karol Bagh or any other place. I got a letter from the Minister of Health, Shri Zachariah, from Maharashtra that he has tightened his machinery so that no drug goes underground. We have made telephonic inquiries about the drug situation in Ahmedabad, Calcutta and Bombay and the position is satisfactory. Dr. Sarkar, Drug Controller, West Bengal, reported :—

“Dealers are carrying on their sales in the normal manner. There has been no complaint of shortage of any drug.”

The situation in Ahmedabad is more or less the same as is reported from West Bengal, namely, that the supply position is satisfactory. Dealers are making supplies regularly. We are getting reports from all other places too. Luckily the druggists and chemists are co-operating. They are selling at the old prices and drugs, the prices of which has been reduced in the case of 40 to 44 per cent of products they are selling them at the reduced prices. The other prices which have been raised have all been brought back to the 15th May price level. I am sorry for the common man who had to suffer for 20 days.....
(*Interruption*)

SHRI JYOTIRMOY BASU : Do you propose to set up a cost quality cell ?

DR. TRIGUNA SEN : I have done it. I have brought experts and specialists for that purpose.

SHRI JYOTIRMOY BASU : Will you see that no drug is marketed without their approval ?

DR. TRIGUNA SEN : Yes. We are taking all possible measures.

SHRI JYOTIRMOY BASU : Your party will expel you now.

DR. TRIGUNA SEN : Shrimati Tarkeshwari Sinha said that the landed cost of folic acid was Rs. 250 and the IDPL was selling it at Rs. 1,600. I am told that the landed cost of folic acid is Rs. 1,200 and not Rs. 250 as she said. IDPL's cost of production is nearly Rs. 1,600 but the pooled price has been fixed at Rs. 1,300.

Shri Sezhiyan has mentioned about Rastinon. I am told, it is a synthetic anti-diabetic drug and it has not been banned in any country.

SHRI SEZHIYAN : It has been found harmful in Great Britain. I can give you the Press cuttings about it.

DR. TRIGUNA SEN : Please do ; I will pass it on to the Drug Controller.

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I think, I have answered all the points.

SHRI N. K. SOMANI : What about the special investigation that we had asked for in respect of foreign companies that are operating in India and who have established a bad record ? Would you like to say something about that ? According to your own admission, the foreign companies have been quoting their prices in the country and have also not been cooperating to the extent that you desire and they have not fallen in line with the social objectives. What do you propose to do ? We had asked for a special investigation about it.

DR. TRIGUNA SEN : My only answer to this that is the Parliament has to pass the Patents Bill. If you pass the Patents Bill, you will find the Indian scientists and

druggists will be able to produce all the medicines at lesser cost.

SHRI UMANATH : We are not standing in the way of passing the Patents Bill. You are not bringing it before the House.

SHRI TENNETI VISWANATHAM : Their prices are the highest. What are you doing about it ?

DR. TRIGUNA SEN : They import these drugs from their own country through the USAID. They get the licence through the USAID to get drugs from their country. This is on the basis of a patent of a particular company and they get at the prices quoted by them.

12.27 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, August 21, 1970/Srawana 30, 1892 (Saka).
