

16 10 hrs.

BUSINESS ADVISORY COMMITTEE

FIFTY-EIGHTH REPORT

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K. RAGHU RAMAIAH). I beg to present the Fifth-eighth Report of the Business Advisory Committee

16.12 hrs.

DISCUSSION RE REPORT OF THE COMMITTEE ON DRUGS AND PHARMACEUTICAL INDUSTRY

MR CHAIRMAN The House will now take up the discussion under rule 193. Shri Ramavatar Shastri

श्री रामावतार शास्त्री (पटना) : ममानति जी, हमारा देश बहुत ही गरीब है और 28 वर्षों की आजादी के बाद भी इस की गरीबी में बहुत कमी नहीं आई है। जिस तरीके से हमारी जिन्दगी के लिए भोजन, वस्त्र और मकान जरूरी है, उसी तरीके से दवा भी हमारे जीवन के लिए जरूरी है और खास तौर से जो आवश्यक दवाएँ हैं, वे तो आर भी ज्यादा जरूरी हैं। लेकिन दुख है कि पिछले 28 वर्षों के अन्दर अभी तक हम हिन्दुस्तान के केवल 25 फीसदी लोग को दवा दे सके हैं या उन के पाम दवा पहुँचा सके हैं। खास तौर से देहानों के अन्दर दवाओं का नितान्त अभाव है और गरीब बिना दवा के मरते हैं, बिना खाने के ता मरते ही हैं। दवा भी उन्हें आवश्यकता होने पर नहीं मिलती।

मैं यह कहना चाहता हूँ कि एक तरफ तो यह स्थिति है और दूसरी तरफ

हम देखते हैं कि हमारे देश में दवाओं के मामले में जितनी बहुजातीय या बहु-राष्ट्रीय विदेशी कम्पनियाँ हैं, उन्हीं दवा उद्योग पर भरना शिकंशा जमा लिया है और वे नहीं चाहती कि भारतीय दवा उद्योग विकसित हो और यहाँ की आम जनता को सस्ती से मस्ती और आवश्यकता के मुताबिक उन को दवाएँ मिलें।

इन बातों की जाच के लिए सरकार ने हाथी कमेटी का गठन किया था, जिस कमेटी में माननीय सदस्य भी थे, दवा उद्योग के कुछ उद्योगपति भी थे और कुछ बड़े बड़े वैज्ञानिक भी थे। उन तमाम लोगों ने बहुत मेहनत कर के, परिश्रम कर के, तमाम चीजों का पता लगा कर सरकार के सामने अपनी निफारिष्के की थी और उन की मध्या 200 से अधिक है। उन में से एक मुख्य निफारिष्क यह थी कि बहुराष्ट्रीय दवा कम्पनियों को, इजारेदार विदेशी कम्पनियों को सरकार को अपने हाथ में लेना चाहिए लेकिन सरकार अभी तक उन को लेने में हील-हवाला कर रही है, उन्हें लेने से इकार कर रही है। यह निफारिष्क हाथी कमेटी की सब से महत्वपूर्ण निफारिष्क थी।

ममानति जी, हमारे देश में बहुजातीय कम्पनियों की मध्या 66 है और उनका शिकंजा हमारे देश के दवा उद्योग पर बड़ा जबईस्त है। उन में से दम कम्पनियाँ ऐसी हैं जिन की सो फीसदी इक्विटी या शेयर विदेशी है। 50 से 99 प्रतिशत शेयर वाली 24 विदेशी कम्पनियाँ हैं। 40 से 50 प्रतिशत शेयर वाली 15 कम्पनियाँ हैं। 26 से 40 प्रतिशत वाली 11 कम्पनियाँ हैं और 26 प्रतिशत से कम वाली 6 कम्पनियाँ हैं। इस तरह से जहाँ तक बहुराष्ट्रीय कम्पनियों का सम्बन्ध है जो हमारे देश

मे काम कर रही है ये उत्पादन क्या करती है? 45 प्रतिशत ड्रग फ़ार्मलेशन ये बनाती है और 33 प्रतिशत बल्क ड्रग्स बनाती है। इससे यह साबित होना है कि हमारे देश का दवा उद्योग इनके आधिपत्य में है और हमारे देश में 2000 से अधिक भारतीय दवा उद्योग की जो यूनिटें हैं जिन में एक आध ही बड़ी कम्पनी है, बाकि तमाम छोटी ही कम्पनिया है। सागराभाई कम्पनी को अगर हम छोड़ दे तो आम तौर से तमाम कम्पनिया छोटी है। ये उनके कम्पटीशन में चल नहीं पाती है। ये जो बहुराष्ट्रीय कम्पनिया है ये बाहर से, अपना पेरेंट बाडी से दवाए मंगा कर यहा महंगे दामों पर बेचती है और हिन्दुस्तान की जनता का रक्न जोशग करता है और जनता को दवाए भी नहीं मिल पाती है।

महापति महोदय, मैंने जो आकड़े आपको दिए है ये आकड़े हाथी कमेटी की रिपोर्ट में है। टायरेक्टर जनरल आफ टेक्निकल डिबनेरमेंट के अनन्तर के जिन को रजिस्टर किया गया है, और जो मरगडिन क्षेत्र में है उन की संख्या कुल 116 है जिन में से 66 बहुराष्ट्रीय कम्पनिया है। जहा तक इन बहुराष्ट्रीय कम्पनियों का सम्बन्ध है हमारे देश में दवाओं का रिसर्च करने में, नए नए रिसर्च करने में इनकी दिलचस्पी बिल्कुल नहीं है। कारण यह है कि अगर यह बात हो गई तो दवाए यहा बनने लगेंगी, यहा के वैज्ञानिकों को लाभ होगा, देश को लाभ होगा, जनता को लाभ होगा। इस वास्ते रिसर्च ये नहीं करती है या बहुत कम करती है। शायद दो तीन कम्पनिया ही इस काम में दिलचस्पी रखती है। जहा तक इनकी चलती है नाम बदल कर ये अपने देश से दवाए मंगा करके बेचती

है ताकि ज्यादा से ज्यादा दवाओं की कीमत ये वसूल कर सके और हमारे देश को लूट सके। टानिक आदि दवाए भी ये लानी है जिन की हमारे देश को बहुत ज्यादा जरूरत नहीं है। मैं चाहता हू कि इस प्रवृत्ति को निरुत्साहित किया जाए। ऐसा आपने किया तो ज्यादा अच्छा होगा। इस तरह की दवाए, ज्यादा से ज्यादा दामों पर बिकने वाली दवाए ये अपने देशों में मगानी और उनको बेचने की कोशिश करती है। इस चीज को बन्द करने की सिफारिश भी हाथी कमेटी ने की है। हमारे देश में कोह को बीमारी बहुत होती है टो बी की बीमारी बहुत होती है। इस तरह की बीमारियों के इलाज के लिए दवाओं का रिसर्च होना चाहिये, अन्वेषण होना चाहिये। इस काम को ये बहुराष्ट्रीय कम्पनिया नहीं करनी है क्योंकि इस तरह की बीमारिया जो खाम तौर से हमारे देश में है, उनकी दवाओं में उनको ज्यादा मुनाफा नहीं होगा। इस वास्ते इस तरह की दवाए बनाने में वे दिलचस्पी नहीं रखती है। जैसा मैंने पहले कहा अपना पेरेंट आर्गेनाट जेशज से इंटर्प्रिडिएट गज ये मगानी है और उनको ज्यादा दामों पर बेचनी है जिसका लाजिमो तौर पर बरा असर भारतीय दवा कम्पनियों पर पडता है, उनकी दवाए नहीं बिकने है उनके कम्पटीशन में, उनके मुकाबले में हमारी कम्पनिया खड़ी नहीं हो सकती है। इन बातों को देखते हुए हाथी कमेटी ने सिफारिश की है कि मन्टीनेशनल कम्पनियों का राष्ट्रीयकरण करके सरकार उनको अपने हाथ में ले ले।

साथ ही हाथी कमेटी की यह भी सिफारिश है कि 117 आवश्यक दवाए है जिनकी हमारे देश में ज्यादा से ज्यादा

[श्री रामावतार शास्त्री]

आवश्यकता है। जो विदेशी कम्पनिया इन दवाओं को बनाती है, कमेटी ने सिकारिश की है कि उन्हें उत्पादन अधिक नहीं बढ़ाने दिया जाये और जो भारतीय कम्पनियाँ हैं, चाहे वह राजकीय क्षेत्र में हों या निजी क्षेत्र में, उन्हें इस तरह की दवाओं का उत्पादन बढ़ाने का मौका दिया जाये, प्रोत्साहन और मदद दी जाये। लेकिन उन मिर्चियों को मानने से सरकार कतरा रही है। अगर ये 117 दवाएँ हमारे यहाँ बनने लगेँ चाहे प्राइवेट सेक्टर हो या पब्लिक सेक्टर, दोनों मिलकर बनाये तो 85 फीसदी लोगों का इलाज किया जा सकता है, जिसकी तरफ ध्यान दिलाने की कोशिश इस कमेटी ने की है।

नो-ड्राऊ आज हमारे देश में कम नहीं है। आप जानते हैं कि बहुत से क्षेत्रों में हमारे यहाँ के लोग बाहर जा जा कर बहुत शानदार काम कर रहे हैं। हमें बहुराष्ट्रीय कम्पनियाँ से नो-ड्राऊ लेने की जरूरत नहीं है। आज आवश्यकता दृष्टिकोण को बदलने की है। आप दृष्टिकोण को बदलिये फिर नो-ड्राऊ पैदा हो जायेगा और फिर इस तरह की विदेशी लट बन्द होगी और हमारे यहाँ दवाएँ बहुत बनेगी। इस कमेटी ने नो-ड्राऊ का विकसित करने और हमारे देश में टानिक के नाम पर जो विदेशी दवाएँ बिकती हैं, उसकी डिस्करेज करन की सिकारिश की है। इन सब बातों की तरफ सरकार ने ध्यान नहीं दिया है। उल्टे इस देश में साजिश चल रही है बहु-राष्ट्रीय कम्पनियों द्वारा देशी कम्पनियों के हड़पने की। 20 तारीख के पंद्रहवाँ में खबर निकली है कि—

“मल्टी नेशनल जायंट मे बाई बगाल ड्रग फर्म”। उनको हम अपने कब्जे में

क्या करेंगे, वे तो हमारे यहाँ की और कम्पनियों को खरीदने की कोशिश कर रही हैं। राज्य सरकार उन कम्पनी को लेने को तैयार, कच्चा माल देने को तैयार फिर भी कम्पनी तैयार नहीं, वह बहुराष्ट्रीय कम्पनी के हाथ बिकने को तैयार है।

जब हाथी कमेटी ने सिकारिश की है तो आप क्यों नहीं ऐसी कम्पनियों को ले लेते? बहुराष्ट्रीय कम्पनी को लेकर 117 दवाएँ स्वयं बनाये। आप इसमें क्यों कनरा रहे हैं? इसमें कुछ राज जरूर है, मैं उसका तरफ ध्यान खीचना चाहता हूँ। 20 अक्टूबर के इकनामिक टाइम्स का उद्धरण मैं देना चाहता हूँ—

The Economic Times, October 20, says as follows

“A LEADING AMERICAN PHARMACEUTICAL corporation has said it had made payments to officials of foreign governments in order to boost sales, reports Reuter

American Home Products Corporation has wholly or partly owned subsidiaries in many countries including Western Europe and South America. The corporation did not reveal the exact amount of payments but said that based on a review of recent years, the total amount in any one year did not exceed 750,000 dollars. The ‘commission type payments’ were made to facilitate sales, it added. The governments were not identified.”

इसका अर्थ यह भी बताया जा सकता है कि हिन्दुस्तान की सरकार के बड़े-बड़े अफसरों को भी कमीशन मिल रही है और वह इसलिए मिल रही है कि बहु-राष्ट्रीय कम्पनियों का राष्ट्रीयकरण न किया जाये। सरकार में ऐसे लोग घुसे पड़े हैं, इसलिए भी इसकी आशा नहीं करनी चाहिये।

हम यही मांग करना चाहते हैं कि हाथी कमेटी की सिफारिशों को मानिये वह बहुमत की सिफारिश हैं। -- सिफारिश में दवा उद्योग के प्रति धी वैज्ञानिक तथा पालियामेंट के सदस्य भी शामिल हैं। उन कम्पनियों को लेने से आप हिचकिये नहीं।

सरकार की तरफ से तर्क दिया जाता है कि अगर हम बहुराष्ट्रीय कम्पनियों का टेक-ओवर करेंगे, अपने हाथ में लेंगे, कब्जे में लेंगे तो पैसे देने पड़ेंगे। यह बिल्कुल लचर दलील है। आप याद कीजिये बंगाल की कलकत्ता ट्राम्बे कम्पनी की बात जो अंग्रेजों की कम्पनी थी। वहा की सरकार ने हिम्मत दिखाई और उस कम्पनी को कब्जे कर लिया। उसे एक कानो कौडी भी नहीं देनी पडी। आप इस तरह की लचर दलील क्यों देते हैं। मविधान के अनुसार आपके लिये कोई पैसा देना जरूरी भी नहीं है। जब आप देर करते है तो जनता के मन में भ्रम पैदा होता है कि ये नाम तो लेते है समाजवाद और गरीबों के मिटाने का लेकिन गरीबों का दवा देने के लिये जो बहुराष्ट्रीय इजारेदारों की कम्पनिया है उनको सरकारी अधिकार में नहीं लेना चाहते। उन बहुराष्ट्रीय कम्पनियों के लाग कौन है? वे देश के शत्रु है, डी-स्टबिलाइजेशन (अस्थिरता) पैदा करने वाले हैं। जो नेता मही मानो मे जनतांत्रिक उसूलों में विश्वास करते हैं, समाजवाद में विश्वास करते है, वे कम्पनिया उन की हत्या करवाती हैं। आपने चिली में एलेडे की हत्या के बारे में सुना होगा। अभी बंगलादेश में भी इसी प्रकार हत्याएं की गई हैं। ये बहुराष्ट्रीय कम्पनिया अपने फायदे के लिए, देश को अपने चंगल में रखने के लिये ये हत्याएं करवाती है।

मेरा निवेदन है कि मंत्री महोदय माफ साफ बतायें कि सरकार इन बहुराष्ट्रीय कम्पनियों को टेक ओवर करने से क्यों कतरा रही है। क्या उन की सरकार में बहुराष्ट्रीय कम्पनिया के लोग या उन के दलाल घुसे हुए हैं? मैं नाम लें सकता हू। मेरे पास नाम है। एक रेलवे बोर्ड के फार्मर चेयरमैन है। हम रामनाथन् का नाम बता सकते हैं। ये लोग विदेशी इजारेदारों की मेवा करते हैं उन की हा में हा मिलाते है और उन की भक्ति करते हैं। क्या ऐसे लोग सरकार में घुसे हुए है इस लिए वह यह कदम उठाने में हिचक रही है? यदि यह बान नहीं है, तो सरकार को उन कम्पनियों को टेक-ओवर कर के भारतीय प्राइवेट सेक्टर और पब्लिक सेक्टर में दबाये बना कर जनता को देनी चाहिए। वास्तव में देश के मो फीमदी लोगों को दवाए उपलब्ध करनी चाहिए। कम से कम 117 आवश्यक दवाये बना कर 85 फीसदी लोगों को मुहैया की जाये।

मैं उम्मीद करना हू कि मंत्री महोदय आज देश को विश्वास में लेने के लिए स्पष्ट ऐलान करेगे कि सरकार ने इस बारे में क्या निश्चय किया है या वह कब तक निश्चय करने का विचार रखती है। मुझे विश्वास है कि मंत्री महोदय मेरी दोना बातों का जवाब देगे ताकि हम विदेशी इजारेदारों के पजे में निकल सके और उन की कमर तोडा जा सके, क्योंकि जब तक ऐसा नहीं किया जायेगा तब तक हम अपनी जनता को आवश्यक दवाये सस्त दामों पर नहीं दे सकेगे।

SHRI H N MUKERJEE (Calcutta —North-East) Mr Chairman, Sir, I am happy I have this opportunity of asking the Government to explain how it is that the Report of the Hathi Committee with a distinguished composition has been treated with the indifference that we have seen and how it is that the Government appears

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insensible to certain traditions which are also associated with our public life in relation to the drugs industry.

The Minister is comparatively a young person. I remember very distinctly how in early days, after the First and Second Parliament the late Gen. Sokhey had a great deal to do with persuading Jawaharlal Nehru to a certain arrangement with the Soviet Union which led to the establishment of IDPL and certain other establishments. I also know and I am sure many people in Government know the hostile elements which were then at work in order to make it impossible for this country to have a central drugs industry.

I also recall the much earlier days when the national movement was on the upsurge, men like Acharya Profula Chandra Ray, the great scientists, set up the Bengal Chemical and Pharmaceutical Works and how in the west also, the family of Sarabhai at one time known to have patriotic predilections did start work of that description but later preferred the comforts and the rewards of collaboration with certain interests from abroad. But at one point of time in our national movement, there was a great stress naturally laid upon *Swadeshi* production of drugs necessary for the health and happiness of our people.

The Hathi Committee produced its report in April last year, nearly a year ago, and the Government is still cogitating even though it is constrained to say that it accepts its general approach.

I am a little unhappy; I do not know, my eye-sight might not be as alert as it ought to have been, but I do not see our friend Shri K. D. Malaviya here, a friend presumably of all progressive causes, whom somehow the multi-nationals in the drug industry discovered—perhaps it

was a superfluous discovery—but they discovered very well that he was a paper tiger and he gave them a certificate when in regard to the Hathi Committee report he professed to have a non-doctrinaire approach and he said we have to have a lot of time cogitating over the recommendations of the Hathi Committee report.

We all know our friend, Mr. Hathi, a very estimable person, a person who is not a foam-at-the-mouth revolutionary, a person who is cogitating over things in the most contemplative manner, his name is suggestive of the spirit of India, so to speak, Mr. Hathi. I do not know, how he had reacted when Mr. K. D. Malaviya chose to say that the Hathi Committee report had made a doctrinaire approach and why? Because the bug, of nationalisation has somehow bitten Mr. Malaviya

The Hathi Committee Report wanted nationalisation; there is no doubt about it, but it specifically proposed, something very much more tangible, which was a take-over. Let it be taken over. Government had all kinds of worries about nationalisation. I discovered the other day from an answer to a question Government telling us that in regard to the nationalisation of sugar mills, it is a matter of much complication and difficulty and, therefore, has to be considered. Our friend, Shri Genda Singh had moved three or four years ago in the All India Congress Committee a resolution which was unanimously passed asking for the nationalization of sugar industry in Bihar and U.P. They have got this fear of nationalization. But Hathi Committee report had wanted take-over. I am quoting from the National Herald:

“The Hathi Committee which was not made up of revolutionaries has recommended the take-over of the multi-nationals which have been

holding the country to ransom over the years."

There is no question of any doctrinaire approach in this as Mr. Malaviya had suggested at that point of time. My friend, Shri Ramavata, Shastri has just said how you can take over under the law, as it is. It has been done in west Bengal, Kerala and elsewhere; you can get into the picture and take over these. This recommendation about the virtual nationalisation of the multi-national corporations was adopted because nine members out of the sixteen who were there supported it; four out of the five M.P.s supported it except my friend Mr. Stephen; Heaven knows for what reasons. He is a God-fearing man; I suppose, he would tell us his reasons. Four out of five M.P.s had supported it; the Director of the National Chemical Laboratory had supported it; the Director of Haffkine Institute, Bombay had supported it with some more extreme formulations which the entire Committee could not accept. The Drug Controller had accepted it; the Director of the Central Drug Research Institute had accepted it; only a few officers who were there always to sing hallelujah to the status quo stood in the way of accepting all these recommendations on a near unanimous basis. Here is a recommendation made by what you call a high-powered Committee; what powered and unpowered committees signify, I have not been able to decipher. Here was this Committee which by a majority had asked for the take over of these multi-nationals and you do not do it. Why you do not do it is something which needs a great deal of explanation.

These multi-nationals are functioning here. Ten of these companies in the drugs sphere are with hundred per cent foreign capital, 24 with 50 to 59 per cent, 15 with 40 to 50 per cent, 11 with 26 to 40 per cent and 6 with below 26 per cent. Out of 66,

more than half are functioning in defiance of FERA or whatever other law which Parliament has legislated the other day. These multi-nationals are functioning here and functioning absolutely deleteriously in so far as the interests of our country are concerned. There will be little time because I am sure many more members would wish to participate on this subject. Otherwise, I can give you more details with regard to the grip these multi-nationals have on the drug industry in our country. You hear about it for decades now but yet, nothing very much seems to have been done.

I discovered lately how even a country like Britain is victimised by these multi-national corporations. There is the firm of *La Roche* which declared profits of only Pound 3 million between 1966—1972, while by means of what they call 'transfer pricing' they had drained out 29 million pounds sterling and when the British Government wanted to put their foot down, the senior Directors of the group emphasized, according to a book on this subject, that 'they did not want to adopt a threatening posture towards the British Government but they were being driven to certain things which the British Government would regret.' We, in this country, unlike the British Government have not even the wherewithal to find out how this transfer pricing mechanism acts to the detriment of our country's financial interests and yet we are at the mercy of these multi-nationals and we do not know what we should do about it.

Certain other figures also are rather eloquent. About 70 per cent of the total sales turn-over of drugs in our country, viz., Rs. 370 crores belongs to the foreign sector. Out of the total turn-over of Rs. 370 crores, the value of tonics, household remedies, vitamins and minerals, etc. comes to about

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Rs. 70 crores. Here again is a racket because the Hathi Committee had said that most of these things are unnecessary, absolutely no good, so far as the health of our people are concerned, some tonic preparations like Waterbury's Compound or some such concoction, they are no good at all, but they comprise a large part of this whole lot.

I find also that in regard to the pricing of these non-essential drugs like Waterbury's compound and other things which I need not specify, the Hathi Committee is very clear that in regard to pricing, our control should be exercised positively, but nothing is done about it. The Hathi Committee had recommended that 117 basic drugs are absolutely important. 80 per cent of the diseases which are rampant in this country could be controlled if only we can make sure of the supply of these 117 basic drugs and self-reliance could be achieved, according to Hathi Committee, in one year's time. But, no nothing would be done in this regard because the stranglehold of the multi-nationals is a kind of garland which the Government has chosen to wear in spite of whatever detriment is implied on account of the operations of those multi-nationals.

We find again that such a company as Pfizer was sought to be checked. I cannot go into the details of it. They went to Court and even to the Supreme Court and got an injunction. For more than three years, the kind of check which the Government could put on Pfizer cannot be put into operation. But instead of looking askance over the operations of these multi-nationals. I am told the West Bengal Government, in the hope of Pfizer, a multi-national corporation, setting up a unit in West Bengal and, therefore,

adding to the economic image of that unfortunate State, are trying to welcome Pfizer there, while, according to the calculations of the Hathi Committee experts, what the Pfizer wants to instal in West Bengal would mean the employment of not more than 250 people in a certain factory. It would have a lot of advertising apparatus because these multi-nationals spend a good deal more on advertising than perhaps any other single body of business people in this country or anywhere. They know well that only by crowing about their achievements, they will get a good deal and by distributing their advertisement material and also some samples to our doctors, they can corrupt our medical profession and they can buy them up, so to speak, and because of the craze for foreign that so many of our doctors and other specialists happen to have even now, they like the label to have a kind of a foreign accent about it. Even in the small scale sector foreign multi nationals got certain advantages. There is Abbot with a capital of Rs. 1 lakh. S K F with nothing at all invested here is operating, Anglo French with Rs. 10,000—these three multi-national concerns have a turnover each of Rs. 2 to 3 crores. They can be pushed out of the small scale sector at once by an order of Mr. Sethi tomorrow if he wishes to do so, but it is not being done.

Nearly a year has passed since the

Hathi Committee Report came but we find that it is not being given the attention which it deserves and all these recommendations which were so important are more or less put on the shelf.

The other day, the Minister for, I do not know the designation of the Ministers these days. You have not issued Who is Who. My old and young friend Mr. Sethi has come back but I do not know his designation.

He said the other day that Rs. 140 crores of foreign capital is invested in India in so far as multi nationals are concerned, but 'no' my figures are Rs. 27 crores are invested by them, but of course, they make a lot more, like IBM, Fire-Stone and others. Fire-Stone came with Rs. 10,000 and they have got a reserve fund of Rs. 200 crores or something like that, made out of the Indian money. So, it is not Rs. 140 crores as Mr. Sethi has said in the other House but it is Rs. 27 crores or so. Our Indian people are ready to come forward if they have necessary assistance. Mr. friend Mr. Karan Singh said from time to time a good word about our scientific personnel. Encourage those scientists and those people who are coming forward to work for the country, not for IBM or Drug operations abroad but for our own country's interest. Our Indian personnel are ready. The Director of the National Chemical Laboratory in Poona, for example, is ready to come forward with so many suggestions which he has been tangibly contributing to the advancement of the National Drug Industry. We want an Indian National drug policy and there is a kind of body which is recommended by the Hathi Committee, which if you set up with the assistance of the Indian personnel whom we can get from all parts of the country, we can go ahead greatly faster IDPL, HAL and other organisations. you have in different parts of the country. But apart from that the small scale sector can be encouraged. The Indian entrepreneurs who are in this industry suffer under the yoke of these multi nationals even though sometimes in order merely to survive they have to keep on with them but you assist them to the extent you can. You mobilise the requisite assistance for the Indian national sector

We have scientists and specialists of whom the world can be proud. Some of them had come forward in the

Hathi Committee to give evidence and others, through participation in the policy formulations of the Hathi Report, have come forward to proclaim their patriotic determination and that is why I say, follow what Gen. Sokhi had tried to do with the active assistance of Shri Jawaharlal Nehru who took the initiative of having a real national drug industry in this country, controlled by our people and absolutely independent of these foreign sharks who have continued to exploit our country in a hundred different ways. In this way something worth while can be done. I need not expatiate over the idea of these multi nationals in Chile and elsewhere. We know what has been their role. These multi-national are a cloak for the neo-imperialist control of the world today and if in this sphere of drug industry which is so vital to the life of our people we keep these multinationals in power, we shall be doing a crime of which the country should be ashamed. In regard to this Hathi Committee's recommendations, positive and practical recommendations are there. Put them into practice without delay and if there is delay, then I would say all this talk about the emergency, about leadership gloriously making this country advance at a pace which you cannot even characterise because vocabulary is too weak, all this talk is abracadabra, if you cannot utilise the emergency for really and truly implementing the policy which would bring good to the people.

I do not know how to characterise your attitudes; I do not know how the people would react, if not today but tomorrow or the day after. At least take note of your duty to the people, stand by the people and help them; and if, in regard to food and to the health of our people you cannot produce results then, I do not know what would happen to

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this country. I am sorry I deviate into other spheres, but, here is a workmanlike report. There is no time. I wish other people, particularly Mr. Stephen, to justify himself, though I do not understand for the life of me, how he could vote the way he did in that committee; let him tell us what he had thought of, but let the House decide and let Government come forward and tell us what exactly its policy is in regard to Hathi Committee report. Let it not be dismissed as Mr. K. D. Malaviya, with effrontery wanted to dismiss it as a "doctrinaire approach", something which is unbecoming of anybody, let alone a man with the kind of past which Mr. K. D. Malaviya has. But may be, he has chosen to forget his past, swallow all that happened before and start on a new slate. I am not concerned with Malaviyas or anybody else. The country has to go forward; the movement has to go forward; the people have to go forward; Malaviya or no, doctrinaire approach or no, here is a workmanlike approach worked out by the Hathi Committee. Accept this approach and try to put it into practice.

SHRI C. M. STEPHEN (Muvathupuzha): I want to put a question. When, in a committee certain deliberations take place, the entire deliberations are there....

MR. CHAIRMAN: He is giving Personal Explanation...

SHRI C. M. STEPHEN: Everything is there in their report. My hon. friend Prof. Hiren Mukherjee mentioned my name twice and made a sort of caustic attack. May I humbly request him whether he can read out any specific sentence from that report which would indicate which view I took there and on what authority he is saying that. Being a

member of a committee I am not prepared to say here which view I took or which view I did not take. But he mentioned my name and attributed to me a particular stand which he says I took during the deliberations of the committee and I took in the report. He must be able to read out the particular sentence which would indicate the view I took and on what authority he can say that I took a particular view or I did not take a particular view. Sir, no dissenting note has been subscribed by me to that report. Nobody has given any dissent. Whatever recommendations have been given are given unanimously. Three views have been expressed differently. Whatever recommendations are there are absolutely unanimous and there was no dissenting note at all given to the report. I am requesting Prof. Mukherjee to kindly read out that particular passage on which he relies to make an attack on a member of the committee or attribute something to a member of the committee, saying that he took a particular view there. This is all the request which I am making.

SHRI H. N. MUKHERJEE: I only wanted to find out from him because my information was that he had opposed the idea of a takeover at once, but if he had any reasons—I said he was a God-fearing man—he could tell us about what the reasons might have been.

MR. CHAIRMAN: That is not based on the report. Your view is not based on the report. That has now been clarified.

SHRI AMARNATH VIDYALANKAR (Chandigarh): Sir, this discussion which has been arisen has given an opportunity for the Government to clear many misunderstandings which might have been created. It has been pointed out that the report was unanimous and it was really an admirable report.

The Government has generally accepted all the recommendations and Shri Malaviya and other Ministers repeatedly declared that generally, they had accepted the report. The only thing is with regard to the implementation of the various recommendations. Naturally that takes time; the government has to take all aspects into account; because you are going to implement something, naturally you are going to take all aspects into account. So far as multi-nationals are concerned, nobody from the government has said that they did not agree with the recommendations. They have not said that they do not want to nationalise these multi-national companies. The name of Mr. Malaviya has been taken here. If Mr. Malaviya could nationalise the oil industry—Burmah Shell and others—there is no reason for Government not to nationalise these multi-nationals. After all, they said that time was not ripe. If time comes they will nationalise all the multi-national companies. Nobody has said or even the government has not said that multi-nationals should not be nationalised. The only thing is that even the Hathi Committee Report said that in the matter of implementation, we have to be cautious. There may be difference of opinion; with a degree of caution we have to do that. The government or anyone may say that with a greater degree of caution this should be done. Things should not be done hastily. Certain things could be done at a certain time. Others may think that this is not the time. Government has to take all the aspects into account before doing that. If we have faith in government and the government means business, they have certain views in so far as the question of nationalisation is concerned. There the government does not do that with beating of drums just as Prof. Mukherjee wanted. We should start telling them that there are certain reasons behind that. And behind the scene something is happening; somebody is influencing

that—All these things are irrelevant if we have faith in government. We should look to what is happening here and the pace with which the government is proceeding. If we know that we are moving in a certain direction—correct direction—it is then rather strange, I should think, that from the CPI from whom I should never expect it—that there should be this kind of opposition or this kind of attitude of attributing motives just as Prof. Mukherjee has done now. I think that so far as Government is concerned, it has accepted most of the recommendations and in most of which Government has taken action. With regard to multi-nationals, they have divided the industry into sectors. They have clearly stated that so far as the foreign companies are concerned, their scope is limited. It has also been stated that they will get licence only with regard to certain items; certain drugs are not being manufactured in India and for which knowhow is not available. Government has to get it from outside. They have clearly stated that in certain sectors, manufacture of certain medicines has been reserved for the public sector just like the IDPL and others. Take for instance analgin. No manufacturing licence is given to any of these multi-nationals or any of these foreign companies. They have taken those formulations from the public sector and their number is 117. They have clearly stated that they will give preference to the Indian sectors and they have invited the Indian Sector and all those who want to manufacture them. I think that the Committee's report was presented only recently. Shri Malaviya and Shri Ganesh were connected with this Ministry for a long time.

They have taken definite steps. Shri Sethi who has taken charge is also proceeding on the same lines and we all hope that so far as the recommendations of the Hathi Committee are concerned, they will be

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implemented properly at the proper time in the proper manner. After all, in these matters we are not just dealing with the public; we are dealing with patients in hospitals. Sometimes import of certain drugs is banned. When patients do not get the drugs, the import of which is banned, they begin to curse Government. 'The patient is dying because the medicine is not available' and all that. We are dealing with patients and naturally we have to be very considerate in the matter. We should not deal with this matter in such a manner that patients who would be needing these medicines would begin to curse Government. Not that we are trying to oblige the multi-nationals. The Government do not want to do so. They have no consideration for them. They know, as the Hathi Committee has said, that they are here to exploit the people. They have been exploiting them. But after all, if we have to make a change, it takes time. But I think we are still proceeding in a rapid manner.

For instance, the Hathi Committee has recommended that trade names should be banned and generic names should be used. Government have decided that in the case of 6 important drugs, only the generic names—not trade names—should be used. Not that they do not want to ban the use of trade names of the other medicines, but they want to proceed with caution. For instance, the name 'Novalgin' was used for analgin. Now only the name 'Analgin' will be used, not Novalgin. In a similar manner, they have started implementing the recommendations of the Hathi Committee.

Similarly, in the matter of price fixation, they are not kind to the multi-nationals. They have not hesitated in fixing the prices of medicines or of formulations. But there should be proper consideration of these

things. That is the only thing which we should appreciate. We are running the administration. We have to be responsible. We have to look at things from all points of view. We have to look at things from the practical point of view, the practical impediments and practical constraints. Otherwise, I do not think there is any basic difference of opinion on the question of what should be done with these multi-nationals. The debate is not that one party says that the multi-nationals should be abolished and the other party says 'no, they should be retained'. We want Indianisation, we want self-reliance. We want that in the field of medicines, all medicines should be available and should be manufactured here. There is no difference of opinion on that. The question is only of time and how we have to proceed. It may be the opinion of some that the progress should be more rapid, we should proceed with more speed. Prof Mukherjee said that our vocabulary is weak. It may be weak, but our determination is not weak. We do not just want to do drum-beating. We do not want to declare from house-tops 'No, we are immediately going to nationalise the multi-nationals and other foreign companies'. We cannot declare this from the house-tops. No responsible government can do that. Not even in the socialist countries is such immediate action taken.

Therefore, I think there is no difference so far as the intention is concerned. But we should take a responsible view in these matters, a considerate view, and we should have faith in Government because we know their intentions are the same, only they cannot declare in these terms in which the Opposition can afford to declare.

17.00 hrs.

Naturally Government which has to run the administration of the country cannot adopt that vocabulary and that

kind of attitude and that kind of drum-beating; that is not possible. That is what I feel.

SHRI DINEN BHATTACHARYYA (Serampore): I do not know why I am called at the tag end; I should have been called just after Shri Ramavatar Shastri; however, I do not mind. Mr. Mukherjee has elaborately dealt with the report what we are now discussing, namely, Hathi Committee's report. As Mr. Mukherjee very aptly pointed out, we find no intention on the part of the government to implement it. Nationalisation is not one of the recommendations here, but only, taking over. You do not have to incur any financial burden in that respect. Still, why there should be hesitation, I do not know. It is presumed that since the Indo-U.S. commission came into existence, Government started negating whatever recommendations were made by this committee. I have no hesitation in stating here categorically that it would be kept in the show-case; only a very minor part of it will be accepted or implemented. Government is everytime coming forward to say that they are very actively considering it. What recommendation are they considering? The main recommendation was that the multi-national corporations which are looting our country must be taken over; they are avoiding that some how or the other. Mr. Malaviya says that we must not have doctrinaire approach. What is their approach? Why was there this committee? It is not unnatural that in a committee consisting not only of M.Ps but a number of other persons also, there should be difference of opinion at the stage of discussions and those differences should be discussed. There might have been a view that instead of taking them over, the government should continue with its present drug policy. It does not matter. When the report was drafted and it came out, it came out as a unanimous report. There are so many recommendations.

It is certain that they have no courage now to take over the multi-national corporations.

There was another recommendation that these companies should not be given an opportunity to expand in our country or be allowed to continue looting the country by importing bulk drugs from their parent organisations in other countries and amassing abnormal profits. There is no end to it I do not want to take much time. I shall simply put some questions. Enough facts had been given by Mr. Mukherjee and Shri Ramavatar Shastri and the report contains full information how those companies are running their business and how they are making huge profits which could not be measured and what scope they enjoy.

How are these companies running their business? They are making huge profits which cannot be measured. But nothing has been done to check the profits of these companies in any way. All these companies are making huge profits and they are repatriating their profits to their mother country. And in this way they deprive our nation of a huge amount. Shri Mukherjee has said that our scientists and our experts can take up the formulations and other work. They are not to depend very much on the technical knowhow of these multi-national corporations. They have their own technical knowhow and they have their own expertise and they can do the formulations in a very efficient manner. But the Government is standing in their way. Why are the Pfizer and other companies still being allowed expansion of their companies here? It is a matter of shame that the bulk is purchased by these multi-national companies from our own IDPL units and they formulate them. In this way also they are getting profits. Why don't you stop this? The Minister must reply to this point. The Government of India filed a case for damages against

[Shri Dinen Bhattacharyya]

Pfizer and a few other American drug manufacturers for over charging for a whole spectrum of anti-biotic drugs. Some officials of the Ministry of Petroleum and Chemicals visited Washington and New York in this connection. But since their return, they have remained un-communicative, reported the *Economic Times*. The situation not changed after the Hathi Committee's report was out. It has been stated that these companies should not be given permission to import bulk or spread over in the areas where they were not existing now. But the latest position is that the Government has decided to permit Merck, Sharp and Dohme to import basic raw material (methyi-dopa) for making formulations. Proposals for these formulations by Indian companies have been turned down. The foreign company will make large profits not only on the raw material but also by selling the formulations in this country.

My questions are: What are the recommendations? What is the Government's attitude in regard to them? You must give your categorical reply. What is your stand in respect of those recommendations? How many recommendations have you accepted? What are the recommendations that are still to be considered by you and when that consideration part will be over? You should come before this House and say that you have accepted such and such recommendations and the rest of them have not been accepted. What is the difficulty in accepting the price policy? In the Hathi Committee's report guidelines are given. Very often you will find that some life-saving drugs are not available in the market. But if you pay more and personally approach the Chemist, you will get them.

But you have to pay double the price. All these drugs are being monopolised by the foreign companies.

You are not helping in bringing down the prices of essential drugs and making them available to the people during their necessity. Even renowned doctors in Calcutta complain and ask, "What is the government doing?" There are big chemist shops but no medicines. Even in the case of heart attacks, cancer, etc, life-saving drugs cannot be had.

I have no illusion—Mr Mukherjee may have—that this government will implement the Hathi Committee's recommendations. They will not. They have no courage to take over Pfizer or other American multinational companies. In fact, they have started hotnobbing with them. They say, we are in a precarious condition, but you cannot get out of it. You may have MISA or any other law, but you cannot get out of this critical situation unless you take a bold stand against imperialist looters—British, American, West German etc,—who are still looting our country. You have to adopt a strict policy.

I request the minister to reply to the questions I have put, so that the country may know the stand that the government is going to take on the recommendations contained in the Hathi Committee report. It is a nice report and it should have been adopted by this Parliament long back, so that the country could have saved a lot of money and our people could have been enabled to manufacture these drugs here itself instead of depending on foreign companies.

श्री शक्तिभूषण (दक्षिण दिल्ली) :

ग्रह्यक्ष महोदय, मैं अधिक तो इस में कुछ नहीं कहना चाहता लेकिन जिनकी निराशा हमारे भट्टाचार्य जी को हुई है, मैं नहीं समझता कि भट्टाचार्य जी को कोई निराशा होना चाहिए। हाथी कमिशन की रिकमेण्डेशन भी हमारे कायेस के लोडर्स ने ही की है।

श्रीर वह भी हमारी पार्टी के एक बहुत अच्छे नेता है। तो जो उन्होंने रेकमेंडेशन दी है उस पर ऐसा नहीं है कि उस को कोई रिजेक्ट कर दिया हो या उस को बिल्कुल मानने की तैयार नहीं हो, ऐसी बात नहीं है। उसके लिए आवश्यक समय जो चाहिए वह तो चाहिये ही उसका एक प्रोमिस तो है ही, उसे रोका नहीं जा सकता। अब मुखर्जी भावने भी फर्माया उन्होंने मालवीय जी के संबंध में कहा। मालवीय जी राष्ट्रीयकरण के विरोधी हो सकते हैं ऐसी बात तो कोई नहीं मानेगा। बर्मा ग्रेल वा अफी राष्ट्रीयकरण हुआ है, पेट्रोल कम्पनियों का हुआ है और इस देश में इसी सरकार ने हिन्दुस्तान के मोनोपोलिस्ट्स को और कई जगह विदेशी मोनोपोलिस्ट्स को भी नेशनलाइज किया है। हमारे ही काग्रम के वर्डिंग ने मूदडा जैसे लोगों को जेल में भेजा, फिरोज गांधी ने यह सब किया और बैंक नेशनलाइजेशन भी इसी सरकार के द्वारा हुआ। राजाश्री वा भी प्रिवी पर्स खत्म हुआ इसी सरकार के लिए और आज भी मैं समझता हूँ कि हिन्दुस्तान में जितनी फासिस्ट फोर्सज थी उन को सबको इसी सरकार ने जेल में रखा ५०००००००० को भी रखा है, नक्सलाइट्स को भी रखा है, और लोगों को भी रखा है। तो यह कहा जाय कि हम सरकार ने कोई बदम ही नहीं उठाया मैं यह मानने को तैयार नहीं हूँ और मैं यह भी मानने को तैयार नहीं हूँ कि मालवीय जी राष्ट्रीयकरण के विरोधी हैं। विदेशी इन्वारेडोरो से जितना वह लड़ें है और हिन्दुस्तान में पेट्रोलियम लाने के लिए पिछले दिनों आप ने उनका परफार्मेंस देखा है।

खास तौर से इस बात को जब मैं चर्चा करना हूँ तो कुछ लोग इतने उतावले होते हैं कि समझते हैं उनके अलावा दुनिया में और कोई सोशलिस्ट रहा ही नहीं। वे खुद तो जाकर रिक्वशनरीज के साथ

समझौता करने हैं, कभी ५०००००००० के साथ और कभी आन्दोलनियों के साथ और फिर अपने को कहते हैं मार्क्सिस्ट तो कुछ थोड़े मार्क्सिस्ट भी होते हैं। बहरहाल मेरा उस बात में कोई विरोध नहीं है, मैं यह कहना चाहता हूँ यह जो सिफारिश है इसमें खाम तौर से एक बात बही गई थी कि एक नेशनल ड्रग एथागिटी बनाई जाये जिसको इतना अधिकार हो कि जो खराब दवाइया बनाते हैं, जो विदेशी कम्पनिया हैं जो ६०० परसेन्ट, ७०० परसेन्ट मुनाफा कमाती हैं—अमरीका में यही विदेशी कम्पनिया, उनके अपने देश की कम्पनिया अग्न इतना मुनाफा लेती हैं तो ऐसी कई कम्पनियों को जोकि मल्टी-नेशनल आर्गेनाइजेशन हैं उनको अमरीका के अन्दर भी मजा दी गई है और वहाँ के लोगों ने उनके खिलाफ आन्दोलन किए हैं। हम नहीं समझते जैसे चिली में मल्टी-नेशनल आर्गेनाइजेशन ने अलन्दे की हत्या करा दी या बंगलादेश में हत्याएँ करा दी उस तरह हिन्दुस्तान भी इतना कमजोर हो गया है कि कोई मल्टी-नेशनल आर्गेनाइजेशन हमारे देश से भी दखल दे सकता है। वह अपनी कोशिशें जरूर कर सकते हैं लेकिन हिन्दुस्तान इतना कमजोर नहीं है न यहाँ के लोग मरे हुए हैं, न आप मरे हुए हैं न हम मरे हुए हैं कि वह हिन्दुस्तान को धुनगें की तरह उड़ा सकती हैं। आज यहाँ पर अमरीका के अलावा स्वीटजरलैंड की कम्पनिया भी है स्वीटजरलैंड की कम्पनिया हिन्दुस्तान की सरकार को हटा नहीं सकती हैं। कोई भी विदेशी कम्पनी हमारी सरकार को ही उड़ा सकती है, इस बात को मैं नहीं मानता। हिन्दुस्तान की प्रगतिशील ताकतें श्रीमती इन्दिरा गांधी के नेतृत्व में दृढ़ मजबूत हैं कि वह किसी भी विदेशी कम्पनी को हिन्दुस्तान के मामलों में दखल नहीं देन देगी। उनमें हम इसी तरह से लड़ेंगे जैसे कि फासिस्ट फोर्सज मेलड रहे हैं।

[श्र शशि भूपण]

कमेट्री की सिफारिश के मुताबिक जो अथारिटी बनाने का सवाल है मैं चाहता हूँ उसको आप मानें। आपने बहुत से कमीशनस मुकर्रर किए हैं। मैं समझता हूँ अगर इसको आप मान लेते हैं तो आप प्राइसेस को भी कन्ट्रोल कर सकेंगे और जो विदेशी कम्पनियां अंडर इन्वाइसिंग और ओवर इन्वाइसिंग करके हिन्दुस्तान से बाहर रुपया ले जाती है उनको भी रोक सकेंगे। इससे आपकी मिनिस्ट्री को भी मदद मिलेगी। आप यह मत समझिये कि हर एक सेक्रेटरी और मिनिस्टर इतना काबिल होता है कि सारी चीजें खुद ही करले इसमें एक्सपर्ट्स की जरूरत पड़ती है। यह एथारिटी बनाने की जो रिक्मेंडेशन है उसको आप मान लेते हैं तो उससे आपको बहुत मदद मिलेगी।

जहां तक ब्रैंड नेम्स का सवाल है, हम बराबर उसका विरोध करते आ रहे हैं। पाकिस्तान जैसे छोटे देश ने भी उसको खत्म कर दिया है। लेकिन हिन्दुस्तान में विदेशी कम्पनियां आपकी अपनी दवाओं को लेकर अपने ब्रैंडनेम से बेचती हैं। क्या वह समझती है कि हमारी हिन्दुस्तान की सरकार इतनी वीक हो गई है कि हमारी दवाई लेकर उस पर अपना लेवल लगाकर उसको बेचें। अगर इस तरह से टूथपेस्ट, बिस्कुट, दूध, दवाई—सभी चीजों में विदेशी कम्पनियां ही काम करेंगे तो फिर हमारे देश के नौजवान क्या करेगे। सिग्रेट, पेय पदार्थ, दवाई—इन सभी चीजों से अगर ब्रैंडनेम हटा दिया जायें तो हिन्दुस्तान के ट्रेडर्स इन कम्पनियों का मुकबला कर सकते हैं। हिन्दुस्तान से दवाई लेकर विदेशी कम्पनियां उनपर अपना लेवल लगाकर यहां पर बेचें इससे ज्यादा धर्म की बात और क्या हो सकती है? बिना व हूँ आप विदेशी कम्पनियों की गुंथामी किस लिए है।

हमें इम बात का डर नहीं रखना चाहिये कि विदेशी हमसे नाराज हो जायेंगे। आप इस बात को स्पष्ट समझ लीजिए कि हिन्दुस्तान में विदेशी अपना रुपया हमारे मुनाफे के लिए नहीं लगायेंगे! यहां पर चाहे इन्फ्लेशन हो, हम चाहे कितनी ही तकलीफ में हों, वह अपना पैसा यहां पर किसी न किसी अपने मकसद से ही लगायेंगे अगर बेसिक चीज पर लगाना होगा तो उसके लिए वे आस्ट्रेलिया या कनाडा जायेंगे। हिन्दुस्तान में आकर अमरीका या दूसरे देश के लोग अपना पैसा नहीं लगायेंगे। हमने देखा है पांच दस बार हमारे फाइनेन्स मिनिस्टर और दूसरे लोग अमरीका के चक्कर लगाते हैं लेकिन फिर भी वह हमको अपना भी नहीं दे सके जितना कि हमारे ब्लैकमार्केटीयर्स से पिछले दिनों हमने जरा एक इशारे से ले लिया। पैसा हमारे देश के अन्दर मौजूद है, मेहनत करने वाले देश में हैं, टेकनीशियन्ज हमारे देश में हैं। हिन्दुस्तान भर के डाक्टर्स साइन्टिस्ट्स ड्रग मैन्यूफैक्चरर्स ने कान्फ्रेंस की थी और अपनी रिक्मेंडेशंस श्री के० आर० गणेश जी को दी थीं कि ये सारी दवाइयां जो हम विदेशों से लाते हैं, हिन्दुस्तान में बना सकते हैं। हमें अपने साइन्टिस्ट्स को एन्केज करना चाहिये वे अच्छी दवाइयां बनायें, चाहे उन के पैकेट्स अच्छे न हों, फिर भी हमें उन को एन्केज करना चाहिये। विदेशियों को नये लाइसेंस बिलकुल न दीजिये, उनके एक्सपेन्सन की बिलकुल गुंजाइश नहीं होनी चाहिये। अगर कोई दवा देश में नहीं बन सकती है, तो आप उन से टैकनीकल-नो-हांड को खरीद लें बजाय इस के कि आप उनकी यहां दवा बनाने के लिये लाइसेंस दे। मुझे उम्मीद है हमारे मंत्री जी इस पर गौर करेंगे।

ब्रैंड नेम्स के बारे में भी कुछ कौजिये, इस को कम कर के देखिये, अगर देश को इस

से फायदा न हो, तो फिर ब्रेण्ड नेम्ज को रख लीजियेगा, लेकिन इस वक्त तो इसको हटाने का काम शुरू कीजिये, इस के लिये अथारिटी बनाइये ।

जहां तक टेक-ओवर का सवाल है यह मुश्किल नहीं है । जिस दिन आप इन का मुनाफा बन्द कर देंगे, प्राइज कन्ट्रोल कर देंगे, मार्केट में कन्ट्रोल कर देंगे उसी दिन ये अपने आप यहा से चले जायेंगे, ये यहा रह नहीं सकते । इसलिये अभी आप इन को बड़े शौक से रखिये, लेकिन प्राइस कन्ट्रोल कीजिये डिस्ट्रिब्यूशन अपने हाथ में लीजिये और अथारिटी मुकर्रर कर दीजिये । ब्रेण्ड नेम्ज करने शुरू कर दीजिये, हाथी कमेटी की रिपोर्ट इम्प्लीमेंट होनी शुरू हो जायगी । मैं नहीं समझता हूं कि सोशलिज्म की गारन्टी इन सामने बैठने वाले लोगों ने ले रखी है, यह आप के हाथों भी आ सकती है ।

17.22 hrs.

[MR. SPEAKER in the Chair]

SHRI P. M. MEHTA (Bhavnagar): Mr. Speaker, Sir, during the last several years, several Members from both the sides of the House had raised the question of the role of the drug industry in this country, and had categorically stated on more than one occasion that Government was encouraging the foreign companies and favouring the foreign-dominated companies at the cost of the indigenous companies and that the Government's policy was such that it kept the indigenous industry under the heels of the foreign-dominated companies. And this was exactly the point which we had discussed time and again here; and therefore, Government had thought it proper to appoint a committee and the terms of reference were decided. The hon. Members of this House and the other House were also the members of this Committee. The Hathi Committee has done quite

a good work; and the long-awaited report has now been submitted to the House as well. Now the question is one of implementation, viz. whether the Government is sincere and serious to implement the recommendations of the Hathi Committee. Therefore, let us first understand what the aim of the Committee was; or what the object of the House was, in referring certain things to it. I can say that the major recommendations of the Hathi Committee—which as I had said, had consisted of six Members of Parliament—related to: (1) How best the public sector should be developed to attain a leadership role in the drug industry; (2) How best the repaid growth of the Indian sector of the drug industry can be ensured; (3) how best essential drugs and common household remedies can be made available to the remote rural areas at reasonable prices; and (4) how best quality control measures over drugs could be tightened and improved upon. These were the broad objectives for which the Hathi Committee was appointed.

The question for consideration is whether the priorities which flow from this reference were properly followed up and implemented. This requires a basic change in the governmental structure as well as their thinking. If they do not change the present structure and if they do not change the basic thinking, then, I am afraid Government will not succeed in implementing those recommendations.

Certainly, some steps have been taken up to help the indigenous sector, which means the public sector. I must give due credit for this to Shri K. R. Ganesh. But for him, I think the officials of the Ministry would not have acted in the way they did now.

SHRI DINEN BHATTACHARYYA:
For that fault he is no longer there.

SHRI P. M. MEHTA: I know it personally that he has laboured hard. So, the House must give due credit to him.

Some facts mentioned in the Fifth Chapter of the report of the Committee are revealing. The heading of the Chapter is "Development of the Drug Industry and the Indian Sector"—I would like to refer to the revealing facts which emerge from this Chapter of the Hathi Committee Report. It says that the foreign drug industries have a stranglehold in the drug industry and have been able to keep the Indian sector muzzled through superior salesmanship and by gaining the support of the medical profession. It means that the indigenous sector of the drug industry was completely neglected by the Government. The Report further says that out of the total production of Rs. 370 crores, the value of tonics, household remedies, etc. total about Rs. 70 crores, 20 per cent roughly. In this matter, the officials of the DGTD and the officials at the lower rung of the Ministry of Petroleum and Chemicals were responsible for liberally granting licences for non-essential tonics, alcoholic preparations, etc. to foreign firms through the grant of so-called permission letter and COB licences. The Hathi Committee has declared these permission letters and COB licences as not being backed by the provisions of the Industries (Development and Regulation) Act. It is worth noting that these licences were not backed by the Act under—which they ought to have been backed.

The Report further says that a major share of the basic drugs and formulations are made by the indigenous sector. So, the basic policy enunciated by the Government for the development of the drug industry is not so bad, but distortions have crept in at the level of implementation by

the Ministry of Petroleum and Chemicals and the Licensing Committee. To remedy the situation the Committee recommended that a positive policy to help the Indian sector should be initiated forthwith and the details of such a policy should be spelt out. I would like to ask here what comes in the way of the implementation of this recommendation. I will come to those reasons later.

Simultaneously the Committee recommended that the dominant influence of the foreign sector should be reduced, and for this purpose the Committee has made a unanimous recommendation of the ultimate taking over of the foreign firms, for which Shri H. N. Mukherjee also pleaded in his speech. For the interim period there are specific recommendations also, that the foreign firms should be immediately asked to bring down their equity to 40 per cent and progressively dilute it further to 26 per cent. This is a unanimous recommendation and Government should implement it forthwith. This can be done without following any complex procedure, but Government has not yet come forward with any action in this direction.

The task which lies ahead of the country has been set out very clearly by the Committee by stating that the drug import bill of the country should be reduced. Yesterday there was a report in the press that our trade balance has deteriorated and is adverse to us by over Rs. 1000 crores. Therefore, all these recommendations will ultimately help us in building up the health of the general economy as well as the health of this industry.

Another important recommendation of the Committee is that the technology required for the basic drugs should be developed through co-ordinated research carried on at the national laboratories and academic institutions to achieve a balance between foreign exchange inflow and

outflow by using exports in a judicious manner without affecting the domestic demand adversely.

These are some of the very important recommendations made by the Committee and Government should come forward to implement them immediately.

The Committee has also recommended that the small-scale sector of the industry should be encouraged by giving it proper incentives. It is very interesting to know that the Committee has come to the conclusion that foreign drug companies with their global philosophy of profit at any cost are not interested in furthering our socio-economic objective of supplying drugs at cheap rates to our people and to our remote villages and to further strengthen our own indigenous field in this industry. Therefore, why should not Government take immediate action to control these multi-national companies?

Sir the Minister of Chemicals and Fertilizers, in answer to a question in the Lok Sabha on 12th January, 1976 stated that most of the recommendations of the Hathi Committee have been accepted and action has been taken. I do not know what action has been taken. I hope the Minister will enlighten me on this. I think he has given answer for the sake of giving an answer. Mr. Ramavatar Shastri has given me a piece of information that the basic recommendations have not been accepted.

For the last five years, what has happened? While the Foreign firms have been busy piling up profits and remitting them to their principals through the sale of essential and non-essential drug formulations, the Ministry of Petroleum and Chemicals kept the Indian sector firmly under their heels by refusing to license for their essential drug formulations which have been the monopoly of foreign firms unless the relevant bulk drugs are also

produced by the Indian sector. They asked the indigenous sector to import relevant basic drugs in bulk. The foreign companies are having the advantage on that principle. They imported the basic drugs in that way and got the profit. Again, they got the advantage to formulate in this country. So, from both the side, they have exploited the situation and the Government has become a party to the exploitation of our people.

Now, I am coming to the most important recommendations which are aimed at helping the Indian Sector. They are: No. 1, 45, 35, 17, 15, 12, 11, 18, 19 and 9. These recommendations can be implemented forthwith by the Ministry without seeking any Cabinet approval for their action. But the Ministry's officials are misleading the Minister or the Government. They say that some amendment to some act is required for drug purpose and that act cannot be implemented. Therefore, all these recommendations cannot be implemented. When I started speaking, I said that some basic change in the Government's thinking was required and the structure of the Government should also be changed the Government should immediately come forward to implement the recommendations.

SHRI DINESH CHANDRA GOSWAMI (Gauhati): Mr. Speaker, Sir, at the very outset, I wish to compliment the Chairman and the members of the Hathi Committee for bringing out this report in a very short spell of time. This committee was formed on 8th February, 1974, and in spite of the technicalities of the subject and the vast scope of enquiry, the Committee has brought out a very brilliant report within a comparatively short span of time. I feel that the Government should also show the same initiative in taking action upon these recommendations. As the committee has taken steps to produce the report within a short spell of time, without any delay, Government has also to do its part in coming to its own conclusion on the recommendations.

[Shri Dinesh Chandra Goswami]

My learned friend who preceded me criticised that there should be a change in the basic approach of the Government. I feel that no change is necessary because the approach of the Government has been clear not only today but from long back. Even when the Industrial Policy Resolution in 1956 was adopted and subsequent steps were taken, the entire objective of the Government was to encourage the indigenous sector and to do away with the foreign sector as far as possible and practicable. It was with this objective that these different complexes were established at Pimpri, Rishikesh, Hyderabad, etc., and all these complexes are doing good work in spite of the fact that there has been a recommendation or an observation on the part of the Committee that some of the complexes can be improved. Therefore, there is no necessity of basic change in the approach of the Government. The approach of the Government is very clear. We should act firmly on the approach which we took not only now but about 20 years ago.

The main purpose of the Committee was to find out the ways and means by which the public sector and the private sector of our country can be encouraged. Nobody can deny that it is on the encouragement of the public sector and the private sector in the drugs and pharmaceutical industry that the health of this country, both in the literal sense and otherwise, to a great extent depends today, to a great extent, the entire burden of the drugs and pharmaceutical industry is being borne by the public and private undertakings of our country itself. If my statistics are correct, out of 2,500 units, the small scale units account for almost 2,300 units. So far as the areas are concerned, the foreign domination is little, but on the question of amount of profit, the foreign companies still dominate the scene.

Nobody denies that the purpose of the foreign companies, wherever they go, is not to help the economy of the

country. They are guided by the motivation of profit. We have seen for many years and it has been the experience of all the countries that they try to derive the maximum profit out of the minimum investment. In fact, in the Committee Report itself, the Committee has pointed out that the foreign companies started with the minimum of investment and they have now really been able to multiply their profits to great extent with the result that as against their original investment which was less than Rs. 30 crores, today if you are to take over them, and give compensation, we shall have to pay Rs. 140 crores. It shows that they have really misappropriated this amount out of the funds of this country or out of the earnings of the people of this country.

Again, the Committee has suggested that these multi-national corporations have been resisting the growth of indigenous sector from the very inception. Therefore, I feel that so far as the multi-national corporations are concerned, the Government should certainly take a firm view. I am of the view that in these matters, one should not take a doctrinaire approach. I do not know why Mr. Mukherjee criticised Shri K. D. Malaviya for his statement that the Report of the Hathi Committee should not be approached from doctrinaire stand point. In a matter where the health of the people of this country is concerned, we cannot or should not take a doctrinaire approach. But the approach should be clear and as far as possible practicable.

The influence of the multi-national corporations, the foreign concerns, should be diluted and our indigenous concerns should be encouraged. So far as this Report is concerned, the majority recommendation here is of the view that these foreign concerns should be taken over. Somebody said that they should not be nationalised but taken over. I find it very difficult to understand what is the basic difference between nationalisation and take-over or I do not know whether you

can take over the foreign concern without nationalisation. I do not understand it. The hon. Member may clarify it. Whether we take over or nationalise it, there is hardly any change in the whole setup.

The Government should seriously consider the majority recommendation as also the minority recommendation because these are two viewpoints. I am not one of those, who will say that the minority views were influenced by certain quarters or the majority views were influenced by certain quarters. I will take it that both these views were arrived at by respective members after careful deliberations. These two views are before the Government. If the Government is in a position to take over these multi-nationals corporation, or foreign firms, it is better, and if not at least their influence should be diluted. Therefore, I would request the Government or urge upon the Government to very seriously consider whether it is possible to take over these foreign firms, if not, how far we can dilute the influence of these multi-national corporations so far as these very important industries are concerned. I would request the Government to take as far as practicable quick decisions. After all, nobody can deny that to rely upon these foreign firms so far as important drugs are concerned, has certain risks also. We have seen in the international scene that often pulls and pressures are built up in different ways and, therefore, if it is possible for our own scientists and doctors to invent medicines of our own, why should we not encourage them? That objective should be very clearly kept in view and the Government should take steps accordingly.

So far as the brand names are concerned, my friends who have participated in the debate, have, more or less said that the brand names should be done away with. I think, even the World Health Organisation recommendation is that the brand names should

be done away with. The medical panel which was constituted by this Committee has made the same recommendations and there is a resolution of the Indian Medical Association about this. Mr. Mukerjee pointed out that by virtue of the Supreme Court judgement, Pfizer or Somebody were able to carry on with a patent for three years. There is a very important recommendation in the Hathi Committee Report in this respect. On page 65 of the report, item 16, it is mentioned:

“Under Section 100 of the Patents Act, 1970, it is stated that the Central Government and any person authorised in writing by it, may use a patented invention for the purposes of the Government. Use for the purpose of the Government has been defined in Section 99 of the said Act to include the making, using, exercising or vending for the purposes of the Central Government, a State Government or a Government undertaking. Government should, therefore, under the powers vested in it, permit the public sector undertakings to use the inventions for the purpose of the Government. The effect of this will be that the mere fact that a patent has been filed or — patent has been granted will not debar public sector undertakings from manufacturing and distributing the products so patented. The Committee feels strongly that allowing the freedom to the public sector units to use desirable patents would not only constitute an exciting challenge to the scientists and technologists, to innovate and establish, production technologies, ordinarily forbidden to them by patent laws, but also would obviate payment of high royalties for really worthwhile patents.”

This is a very important recommendation and I think, there should be hardly any difficulty in implementing it. I do not know whether this recommendation has been implemented or not. I would like the hon. Minister to

[Shri Dinesh Chandra Goswami]

clarify. If it has not been implemented, I would urge the Government to implement this recommendation as early as possible.

We know today that once our own indigenous doctors and scientists find out the medicines which match their brand name, these Corporations immediately go for another brand name. That is the position. Today we see newspaper advertisements flooded with different brand names and unfortunately, it seems that there is a section of the medical profession in our country itself, which has a tendency to support a foreign brand if it is there. The Government should also try to impress upon the medical profession as to whether it is desirable to have so much reliance on these foreign brands. There are many cases where a medicine with foreign brand or label having the same effectiveness to an indigenous medicine, is not encouraged by our own medical profession. We should try to encourage the indigenous production

I do not, for a moment, doubt the sincerity of the Government as Shri Dinesh Bhattacharyya has done. If Shri Bhattacharyya feels that Government has no intention and that Government will never implement the recommendations, and if he is so sure, then what is the necessity of a debate of this nature? A debate of this nature is only to highlight the Members' feelings as to the recommendations and to give a direction to the Government to the way in which the House wants the Government to move. But if you have so much doubt, you are merely wasting your time and time of the House by projecting your views.

Now, what I feel is that the Government also—I request the Minister who has taken up this portfolio recently—should see very clearly as to whether these officials or persons who are

charged with the implementation of these objectives are guiding the activities of the Government in the correct path. I was given a certain piece of information—I do not know how far it is correct. I do not know these technicabilities but I was told that so far as the HAL is concerned, a technology was given by the American Home Products to float a company for production of ampicillin and an intermediate stage for production of ampicillin, is 6 APA. Now, the Research and Development wing of HAL worked out a purity of 6APA. Subsequently, this purity was lowered to suit the purity of 6APA of that American concern. Now, I do not know whether this is true or not. If this allegation is true, it is undoubtedly a serious matter. We do not want and the Government undoubtedly do not want to go in this direction. Therefore, if it is so, I will like him to look into it. If it is so, then somebody is trying to mislead or trying to create an obstruction in the path of the objectives in which government want to go. As I said, this is a technical matter of which I have no knowledge. Because it has been passed on to me, I am passing it on to the Hon'ble Minister and I hope he will look into it.

The other aspect—which unfortunately the entire debate has not highlighted in importance is that apart from the recommendations regarding take-over and brand names and so on there are many recommendations which are extremely essential for the common man of this country. There are recommendations that medicines for common diseases should be made available to the rural population as easily and at a lower price as possible. What steps the Government have taken for the implementation of these recommendations, I would like the Minister to give some indication here, if not to-day, at least in the near future.

There is another aspect to which I want to draw the attention of the Ministry. The foreign corporations

to-day are not only working in the field of basic drugs—I can understand their working in some cases even in the drug industry because that is for the health of the nation, but, I do not know why we should permit them to work in the field of cosmetics and luxury goods. I do not know why we should permit these multi-national corporations to invest a very minimum quantum of money in cosmetics and earn a maximum amount of profit. After all, this, I think, goes against the basic objective or the policies of the Government. What is the view of the Government so far as this matter is concerned? On the floor of the House, a number of times it has been announced that the Government's view is very clear.... (*Interruptions*). I do not know whether Shrimati Roza Deshpande is supporting me or not, hon. Member may be fond of cosmetics. It may affect the hon. Member but I do not want the pharmaceutical concerns to come in cosmetic field. I can understand Government may have some hesitancy so far as the drug industry is concerned, to take some bold measures, because, after all such measures affect the health of the population and it may not be desirable. But so far as cosmetics are concerned, even if some ladies begin to look ugly, I think heavens will not fall....

AN HON. MEMBER: No, no.

SHRI DINESH CHANDRA GOSWAMI: At least to us who are married heavens will not fall. Therefore, why could not the Government take a firm decision in this field? I think the Minister should apply his mind to the various suggestions that have come from the Members, not from a doctrinaire angle but from the realities of the situation and I hope he will touch some of the points which have been raised, keeping in view the feelings of the House.

SHRIMATI ROZA DESHPANDE (Bombay Central): The demand for nationalization of the multi-national corporations, problems of the drug

industry, the slogan given by the workers for nationalisation of the drug industry—these have become rather a chewing gum. Everybody is saying it.

Government also say it, 'We do understand, we do sympathise with all that', but nothing is being done. I do not know whether the Hathi Committee, as Mr. Malaviya said, has taken a doctrinaire approach. Then, ultimately, Hathi Committee report would turn into a Bhagwad Gita which we will open every morning and say that this is the recommendation we are trying to do, this is another recommendation we are trying to implement and, nothing is implemented. Why, Sir, at all was this demand for take-over of multi-national corporations given?

For the last so many years all the masses, in this country who can afford to take medicines have all been accustomed to Pfizer, Glaxo, Sandoz, Solemon and all that. Our mind has been cultivated in such a manner that people always prefer drugs produced by these companies. Our drug industry has been dominated by them for the last so many years and that is why if we want lower price drugs, we have to nationalise the companies, otherwise there is no alternative. But you will not be able to do it. There are ways and means to fight out but it is very difficult. It will be a very very slow process and these multinationals are capable of fighting our Indian industry as well as our public sector. For instance there is a drug-doxicyclin. In PL & Ranbaxy have the know-how of that drug. Why did you permit Pfizer to produce it? What was the necessity? On the one side you say that we will be able to fight out these multi-nationals by developing our public sector, going into formulations which you doled. You are producing bulk drugs. They are very well utilising your bulk drugs and then giving you all kinds of formulations with a little of vanilla and good syrup putting some water and saying it has vitamins—B12, A.D., A. They

[Shrimati Roza Deshpande]

create all kinds of vitamins and give the same to patients. Doctors are also contributing to this. We know our medical profession is also contributing to this. But you cannot protect your own public sector. Why did you give the terms? Is it just to oblige West Bengal and to give some jobs to some people? No. You are obliging the multi-nationals by allowing them to produce this doxycyclin while you have the know-how. Please answer this.

This Committee has said about c.o.b licence and permission for the imports. There are egalitarians. Can't you stop this. You can. But when there is a will, there is a way. There is no will in you to do it. I do not know why? I do not say that our officers are corrupt and this and that. We have in your Ministry also very dedicated intelligent officers. If you ask them to implement certain recommendations of this Committee, they will surely do it. I am confident of it. But the thing is that the Ministry and the Minister and the Cabinet—I do not know who are involved in this policy making,—should tell them to implement. Otherwise, I tell you that this whole drug industry (we may say, how much money they export—it may be very little amount comparatively) will remain dominated. They have the capacity to defeat our public sector. They buy your bulk drugs and import these bulk drugs. Innumerable drugs are flooded in the market. Can't we stop them? We can.

18.00 hrs.

Can't we bring down the prices? If you allow them to be on the soil, we will not be able to bring down the prices. Unless you develop your own sector or your own public sector and at the same time take over certain foreign concerns, you will not be able to achieve the objectives. May I make a suggestion? Take over at

least seven of them. At least in respect of these seven multi-national companies, take them over, and see what the change is. The Hathi Committee has suggested that there should be generic names for 18 drugs. You suggest that you will do it for 6. Why six? Why don't you go into it speedily when the whole Hathi Committee has come out with very good suggestions? Why does not the Government move speedily? If you are going to go in a slow manner, and a slow process, let us know how you are going to reach the goal. Ultimately our goal is socialism, I know it. But you are going by this route, by bringing out laws such as bonus laws and such like things. If you are going by the same way, I do not know how you are going to help this country and how you are going to bring socialism. Merely giving slogans will not do. Slogan will not cure the disease of the poorest man in the country. Millions of people are suffering from various diseases. What is necessary is this. These multinationals control 70 per cent of your sales turnover of Rs. 370 crores in this country. The question is whether you are going to take them over or not. Are you going to take certain steps which are going to curtail their movement of cheating the people of this country? That is what we want to know.

Secondly, going into certain aspects of the Indian industry, I would like to say something. There are certain businessmen in this country who get licences, they have something like 20 or 30 firms, they go on importing things and they are all fake ones. In Madhya Pradesh they found out that there were some 321 companies but in the names of a few people, they were importing. I don't know the exact amount but lakhs and lakhs rupees worth of drugs were involved. What they were doing in this. They were selling the licences in the blackmarket or selling the material in the blackmarket. Are you doing

anything? A committee was appointed. The Pahuja Committee was appointed to investigate into this matter. But nothing happened. The report had come and I don't know whether these people were arrested or not and whether anything was done or not. Don't go on blindly supporting the Indian sector and the Indian manufacturers. Go into the root cause. Investigate who the manufacturers are, who are the manufacturing firms. Then alone you will be able to do anything. Again I would request the Minister to go into the functioning of the public sector, to go into the licensing policy of this ministry, how licences are given, for what licences are given, what are the drugs imported, whether we can produce them or not, and then go into formulations. Our own country's public sector should go into formulations and then at the same time we must think of taking over all these multinational companies. And I request the Minister to give us clear-cut words. 'We are thinking, we will think, we shall think'—such kinds of replies will not do. Please give us clear-cut replies.

So, this is the thing which we want and I hope the hon. Minister will give us a direct reply.

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): I am most grateful to the hon. Members who have participated in the debate and from all sections almost 9 hon. members have participated and they have obviously taken great deal of pains in not only putting their views here, but I am sure they have also deeply studied the Hathi Committee's recommendations and some of them who spoke were also members of the Hathi Committee.

DR RANEN SEN (Barasat): No Member who was a member of the Hathi Committee can speak on this subject in this debate.

SHRI P. C. SETHI: Anyway, this is such a critical area of our national policy that I can very well understand the anxiety and concern of the hon. Members. The drug industry has taken great strides in the past. The figures would reveal that in 1948 the value of the drugs and pharmaceuticals manufactured was of the order of Rs. 11 crores. But, to-day, the figure stands at Rs. 380-400 crores. In 1964, the number of manufacturing drugs and pharmaceuticals was 1200 whereas now it runs into over 2,500 crores out of which 116 are in the organised sector. Investment figure was Rs. 225 crores in 1974. Therefore, we must recognise the fact that from 1948 onwards the drug industry has made strides in our country, the production has increased; the turnover has increased; the number of companies has increased. But, the fact remains, as has been pointed out by the first speaker, Shri Ramavatar Shastri, that it is not 25 per cent but only 20 per cent of the people who are served by the medicines, as the production stands to-day.

If you look at the per capita consumption it will come to Rs. 6 per annum per person. So, it is from this point of view that we have to look into this question. This is not an area where we would like to take risks about the health of our people. The drug industry has to proceed in a manner where it will have to be developed at a much greater and faster speed than what has been done till now.

It is during the course of the Fifth Plan period that it is envisaged that the overall production would reach a figure of Rs. 700 crores. It is expected that the public sector will invest about Rs. 70-80 crores and 200 crores will come from the private sector. As the growth rate has shown in the last two years, I am afraid, the capital formation in the private sector would have to come from them only. From the private sector it is not going to

[Shri P. C. Sethi]

come as has been envisaged. Therefore, it is in this light that I would request the hon. Members to consider the entire report and its implications. The Hathi Committee's recommendations, I agree, were received by Government in the month of April, 1975 and I must pay my personal tribute to Shri Hathi and his colleagues for the thorough and comprehensive manner in which they have accomplished their job and for the volume of analytical data they have produced and the comprehensive sets of recommendations for the future development of the industry. There is no doubt that the Hathi Committee members have done a very stupendous task. I also would say that they have produced a very good report giving the background, developmental history of the drug industry and by giving their recommendations on various subjects.

Now, when we go through the report chapter by chapter, we come to the conclusion that the Hathi Committee *in toto* has given about 226 recommendations and out of these 226 recommendations, I would like to assure the House that the broad principles which should govern our future approach to this industry would be followed. I would briefly like to state them in a couple of lines. It is our earnest intention to ensure that there would be progressively abundance of drugs availability in the country to meet the health hazards of our people; it is also our intention progressively to become self-sufficient in the production of drugs in the course of years so as to reduce the volume of imports. That is what the hon. Members also stressed. It is also our intention to develop self-reliance in

drugs technology and to avoid purchasing of knowhow from abroad except in areas where it becomes absolutely necessary.

We would also like to make the drugs available both to the hospitals and the common man at a reasonable price and for this purpose, continuance of price control upto a point is inevitable.

While keeping a careful watch on the prices, it would also be our duty to ensure that producers get a fair deal and they get a reasonable return on the capital invested so that the incentive for a further investment remains.

The Hathi Committee itself have stressed this point. They have said that in the case of formulations, the return should be anywhere from 8 to 13 per cent on turn-over and in the case of bulk drugs, it should be 12 to 14 per cent on capital. This is their basic recommendation. Therefore, this will also have to be kept in view.

In working out returns to investors, we would like to encourage investment in bulk production rather than purely on formulations. This is being implemented. We would also like to give special incentives to firms engaged in research and development, because the Hathi Committee has rightly emphasised that unless research and development work in our country in this area goes ahead, we would not be able to do much and we would be continuously depending on others.

We would give the public sector a leadership role in the industry. I would like to point out that we have already initiated action as follows:

	Rs.
IDPL : Expansion of synthetic drugs Plant, Hyderabad, 2nd phase.	21.79 crores
Nicotinamide plant in Bihar	8.58 "
New Formulation unit at Gurgaon	8.10 "
Antibiotics Plant, Expansion, Rishikesh	15.69 "
S.D.P. III phase	9.70 "
Modernisation and expansion Smith Stanistreet (which we have recently taken over)	15.40 "
HAL : Penicillin Expansion	2.92 "
Streptomycin expansion	2.91 "
Penicillin II plant	5.80 "
Semi Synthetic Penicillins	5.47 "
Erythromycin plant	4.03 "
Aminoglycosidic Antibiotics expansion	1.75 "
Formulation Plant	6.00 "
Industrial enzymes	1.15 "
Vitamin 'C' expansion	1.20 "

Therefore, the leadership role is being given to the public sector. It is also decided that the public sector will not only produce bulk drugs which go to formulators, whether they are in the national sector or with the multi-nationals, but upto 60 per cent, they must themselves formulate the basic drugs which they are doing, and the rest should go to others.

The Hathi Committee has very rightly recommended that Government should take the initiative in organising drug production so as to ensure adequate availability of the essential drugs in the country. Production of drugs, therefore, cannot be left to the whims and fancies of individual producers who will make their investments and apply for licences based on profitability considerations. Therefore, the licensing policy will have to be guided by this recommendation which the Committee have given in this direction. A national plan for adequate production of all essential drugs will, therefore, have to be prepared and it will be Government's endeavour to ensure that item by item drug production under this national plan will be implemented by all sectors. Government have already circulated lists of bulk drugs, where investment will be encouraged. We have already moved in this line. I have also shown what the public sector has to do in this connection.

As far as reducing the foreign area is concerned, hon. members have stressed that the Hathi Committee's majority recommendation is that the multi-nationals should be taken over forthwith or nationalised. At the same time, the unanimous recommendation of the Committee, which Shri Goswami and other hon. members referred to, is that they should be taken out of appendix I. If FERA is applied, their equity comes down to 76 per cent, but the Hathi Committee have unanimously recommended that the equity should be brought down to 40 per cent and later on steps should be taken to further reduce it to 26 per cent.

As far as expansion is concerned, I have already stated that expansion to multi-nationals would be given only under the conditions which have been recommended by the Hathi Committee. When they are given expansion, there is already a dilution formula according to which the expansion would be given. According to this formula, if the company is holding more than 75 per cent equity, they will have to dilute the total investment to the extent of 40 per cent. If they are over fifty per cent, the formula was that they would have to dilute to the extent of 33 and one-third per cent; in some cases 25 per cent and so on. That dilution formula applies when they came with an expansion application which would be scrutinised according to the guidelines of the Hathi

[Shri P. C. Sethi]

Committee. What the Hathi Committee have said clearly and unanimously is that apart from whatever you do in respect of dilution, when they come for expansion their equity should be brought down to 40 per cent forthwith. We are examining seriously not only that recommendation but other recommendations also; there are four or five important recommendations which are still under consideration and I can assure the House that in the light of the debate that has taken place, we shall take a full and comprehensive view of these recommendations; we would be able to come to some definite conclusions not very long from now; we may take one or two months to decide the whole question.

Hathi Committee's recommendation with regard to the pricing policy is that in the case of basic drugs the return should be 12—14 per cent on capital and in the case of formulations, 8—13 per cent on turn-over. We have worked it out in terms of mark-ups; this would give us a range of 60 mark-up to 75 mark-up. Unfortunately the position at present is that most of the non-essential drugs like tonics or vitamins and other things have a markup of 100 to 150 per cent or 200 per cent and they are essentially consumed by elite population. According to the recommendations of the Hathi Committee there is scope for reduction of the price in those categories where the markups are high. I should like to point out to the hon. Members that there are many essential and household drugs where the existing markup is 5, 6, 10, 20 or 25 and if we apply Hathi Committee's formula—the expectation of the House is that Hathi Committee's recommendations should be implemented as they are—their prices would go up. The recommendation of the Hathi Committee is if you want companies to invest in basic drugs and other drugs, that much margin should be given. This the biggest dilemma. We do not want that the prices of essential drugs should go up.

Our respected colleague, Mr. Mukerjee gave some figures to show that drugs are costly in India. I have a comparative chart here showing the prices of certain preparations. For example Ciba Geigy's enterovioform cost Rs. 1.52 in 1975 in India compared to Rs. 14.87 in West Germany. Rs. 4.78 in Philippines and Rs. 5 in Italy; Sandoz Intestopan Fort capsules cost Rs. 53.60 in India compared to Rs. 106.40 in West Germany, 47.39 in Philippines and 26.30 in Italy. Boots Insulin plain, ten million vial cost Rs. 9.10 in India, 29.40 in West Germany and 11.30 in Italy; Bayer Resochin cost Rs. 16.64 in India compared to 93.90 in West Germany, Pfizer's PAS granules, ten grammes cost 11.87 in India compared to 58.10 in West Germany. This clearly indicates that what the present policy is. Right from 1962 the Government of India had been following a policy of pegging prices at the 1962 level because control of drugs is in existence from 1962. It was revised in 1970. If there was any question of price rise each individual company puts forward the merits of its proposal before the Bureau of Industrial Costs and Prices and only after proper examination, after referring it to the parent ministry—we also consult the Health Ministry—and only if there is a genuine case, price rise is allowed. Otherwise, generally the prices have been pegged at the 1962 level; except in certain genuine cases, no rise had been allowed.

Now, it is from this point of view that we should look at it. If the Hathi Committee's formula is applied to them, the prices are likely to go up, which the hon. Members of this House would not like. In Afghanistan, they have found that 30 to 34 drugs are most essential. Similarly out of 117 we are trying to find out which are essential drugs and so far as these essential drugs are concerned, the prices would not go up. In so far as the other drugs are concerned, which are over 150 per cent mark-up their prices should come down.

Sir, we have not come to a final conclusion. We have got to work out the details and after working out the details we will reach a final decision, in regard to the acceptance of the Hathi Committee's recommendations. The recommendations of the Hathi Committee's report may not be completely acceptable on account of its implications with regard to the price.

With regard to brand names, I would like to point out that the hon. Member Shri Shashi Bhushan has said that in Pakistan removal of brand names was tried out. It is our report—I do not say it authentically—it was tried there and it failed and the brand names are coming back. Even in the socialist countries like U.S.S.R. the brand names are coming back. As far as the question of brand names is concerned, Hathi Committee has made a cautious approach. They have selected only 13 drugs in which cases brand names should go. They have also said that the approach should be very cautious. We must start somewhere. So, on this issue, we went to Development Council and there was some recommendation from the Health Ministry in this regard. In the Consultative Committee attached to the Ministry of Chemicals and Fertilizers, in which Shrimati Roza Deshpande was also a member, we have discussed.

The Members of the Consultative Committee were all agreed. If the Health Ministry recommended six drugs for examination for this purpose, let us start with the examination of those six drugs. We said, as far as our Ministry is concerned, we would forward this to the Cabinet Sub-Committee with the recommendation that generic names should be used for these six drugs. I would like to repeat the drugs which were agreed to: They are: Ferrous sulphate, Aspirin (Acetyl Salicylic acid), Chlorpromazine, Analgin, Piperazine and a combination of INH-Thiacetazone. Now, with regard to these six drugs, we are going to

recommend that the generic names should be used and the brand name must go. With regard to the removal of brand names, there is a rider and the rider is that since the brand names are removed, price control should also go. Therefore, hon. Members should know that if this recommendation is finally accepted, then these drugs brand names would go along with the price control.

SHRI M. RAM GOPAL REDDY (Nizamabad): Why should it go?

SHRI P. C. SETHI: Because that is the recommendation. The ultimately it boils down to this that the Hathi Committee's report is not a complete recommendation of the type that it should be accepted *in toto*. The hon. Members are aware though the Hathi Committee has done a commendable job, still it requires some examination somewhere. Therefore, the generic names with regard to these six drugs should be adopted. I think this will be a good beginning.

DR. RANEN SEN: Will he point out which is that recommendation which says that as soon as the brand names go price control should also go?

SHRI P. C. SETHI: You were one of the members of the committee and your memory may be fresher. But I will try to locate it and tell you.

About take-over, as I said, we are at the moment having an exercise in regard to the unanimous recommendation about dilution of equity. Taking over is a very complex question and is still under consideration. As pointed out by Shri Shashi Bhushan, the fears of Shri Dinen Bhattacharyya that this government will never do it are unfounded. We have done it in many cases before and we can do it. But I would not indulge in bravado just because a challenge is being thrown.

[Shri P. C. Sethi]

I have got the recommendation which Dr. Ranen Sen wanted. I am quoting from page 187 of the report:

"13. The committee has come to the conclusion that more selectivity in the system of price regulation with a view to ensuring fair prices in respect of drugs and formulations would be desirable rather than on all drugs and formulations irrespective of their importance. As a first step, the committee recommends that the formulations based on 13 drugs as identified by the committee for the purpose of generic names usage should be free from price regulation.—(Chapter VIII Para 34)".

Unfortunately, the hon. member has not done this exercise.

Shrimati Roza Deshpande asked about doxycycline. It is not correct to

say that IDPL has got the knowhow for manufacturing doxycycline. It is negotiating with Italians for the technology. Ranbaxy are also negotiating with the Americans. Hathi Committee has recommended that multinationals should be made to produce bulk drugs. If this recommendation is to be implemented, licences will have to be issued to multi-nationals till we take a decision about them. The consumption of doxycycline is likely to rise very high and we would not like to put all our eggs in one basket. It would be in the interests of the consumer and the country to spread it out.

18.30 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, January 23, 1976/Magha 3, 1897 (Saka).