

को मालूम ही है कि जब एक मर्तबा मिनिस्टर रहे तो यहां पर चाइना को लाकर के बिठा दिया और अब इनकी सपोर्ट से यहां पर आये हैं तो फिर किसी दूसरे को लाकर बिठा सकते हैं ।  
(व्यवधान)

श्री बलराज मधोक (दक्षिणी दिल्ली): वे तो आपकी प्राइम मिनिस्टर के खास एडवाइजर हैं ।

श्री क० ना० तिवारी : मैं इस बात को नहीं मानता ।

इसलिए मैं यह निवेदन करना चाहता हूँ सारी डेमोक्रेटिक फोर्सों से कि वे अपने कांस्ट्रक्टिव मुभाव दें जिससे कि वहाँ की हालत, बंगाल की हालत मुधरे और हर तरह की वाय-लेन्स, चाहे वह पुलिस की हो या पोलिटिकल पार्टीज की, बन्द की जाये ।

MR. CHAIRMAN : At six O'Clock the House has to take up the discussion on drug prices. I will ask the indulgence of the House, I have to give some time to Shrimati Sharda Mukerjee because some time is due to her party.

SHRI BAKAR ALI MIRZA : And to me.

SHRI LOBO PRABHU (Udipi) : Tomorrow.

SHRI KANWAR LAL GUPTA : Tomorrow, not today, because this discussion is not ending today. Let us discuss drugs.

MR. CHAIRMAN : Drugs will be discussed.

SHRI KANWAR LAL GUPTA (Delhi Sadar) : Just now. You ask her to speak tomorrow and not today.

SHRI BAL RAJ MADHOK : She can speak tomorrow. Time is fixed for the discussion on drugs.

SHRI BAKAR ALI MIRZA : May I have my chance also tomorrow?

MR. CHAIRMAN : I do not know. As a matter of fact, according to the time table that is here these is some time left for the Congress (O). That is why I wanted to give her that time. For no other party time is left.

SHRI BAKAR ALI MIRZA : Is time to be distributed like privy purses ?

MR. CHAIRMAN : I will give that opportunity to her tomorrow and then the hon. Minister will reply because the House does not wish that discussion to be continue now.

We shall now take up the Discussion on the prices of Drugs and Medicines.

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18.04 hrs.

DISCUSSION *RE*: PRICES OF DRUGS AND MEDICINES

[SHRI K.N. TIWARY *in the Chair*]

श्री कंवरलाल गुप्त (दिल्ली सदर) : सभापति जी, हर एक स्वतन्त्र देश में हर एक नागरिक का यह मौलिक अधिकार है कि उसे बीमारी के समय दवायें ठीक दाम पर और ठीक मीके पर मिलें लेकिन दुख की बात है कि यह सरकार इस उद्देश्य को पूरा करने में पूरी तरह से असफल रही है। मैंने कहा था कि पिछले सात सालों में दवाओं के दाम 40 प्रतिशत बढ़ गए हैं; मन्त्री महोदय ने उस दिन जो बयान दिया उसमें वे कहते हैं कि 5 परसेन्ट से लेकर 25 परसेन्ट तक ही केवल बढ़े हैं। मैं दो तीन उदाहरण देता हूँ जिनसे स्पष्ट हो जायगा कि दवाओं के दाम केवल 40 परसेन्ट ही नहीं बढ़े हैं बल्कि कई बीजों में तो तीन और चार गुने तक भी बढ़ गए हैं। मुझे याद है कि आई एम एच जो कि टी बी के लिए एक ड्रग है, सात साल पहले उसकी एक हजार

**[श्री कंच लाल गुप्त]**

गोलियों का दाम 8 रुपए था लेकिन आज उसका दाम 40 रुपए है।

इसी तरह से एक और ड्रग है जिसका नाम है पास। 1,000 गोलियों का दाम सात साल पहले 25 रु० था, आज उसका दाम 90 रु० है। इसी प्रकार के कई उदाहरण मैं दे सकता हूँ जिनमें दवाओं के दाम पिछले सात सालों में बहुत बढ़ गये हैं खासतौर पर ऐसी दवाओं के दाम जिनका सर्व-साधारण जनता पर असर होता है, जो ज्यादा इस्तेमाल होती हैं।

1968 में टैरिफ कमिशन की रिपोर्ट आई। उसकी रिकमेंडेशन को घ्राए हुए दो साल हो गये। दस साल तक आप ने क्या किया? क्यों इस पर सोते रहे? मंत्री महोदय ने बयान में कहा उस दिन कि हम इस पर विचार कर रहे थे, अध्ययन कर रहे थे, स्टडी कर रहे थे। लेकिन नतीजा क्या निकला? आपने 1970 में ड्रग प्राइस कंट्रोल आर्डर इश्यू किया और उसके बाद कंप्यूजन क्रिएट किया। क्या यही आपने स्टडी किया? क्या यही स्टडी है कि आपने हर दूसरे दिन अपने आर्डर को बदला और उसमें अमेंडमेंट किया? आपने कहा कि चार बड़े अमेंडमेंट हुए। लेकिन जो माइनर अमेंडमेंट थे उनका क्या हुआ? हर रोज मुबह एक अमेंडमेंट और शाम को दूसरा अमेंडमेंट। क्या यही आपकी स्टडी है? मेरा चार्ज है कि दो साल तक जो बड़े मैन्युफैक्चरर्स हैं, जो विलेवतः फारेन कम्पनियाँ हैं उनको लगभग 70 करोड़ रु० का फायदा इस सरकार की गैर-जिम्मेवारी के कारण हुआ है। मैंने उस दिन कहा था कि जो लोग कहते हैं कि ड्रग प्राइस कंट्रोल आर्डर की कहानी है, वह एक बंभिग की कहानी है, मिस हैंडलिंग की कहानी है, जिससे भारत की पचास

करोड़ जनता पिस गई। न मैन्युफैक्चरर को मालूम है कि प्राइस क्या हांगी, न दवाओं के बेचने वाले को मालूम है। खरीदने वालों को तो मालूम ही नहीं है, इस सरकार को भी नहीं मालूम कि उन्होंने क्या आर्डर इश्यू किया यह सरकार बाद में जागती है।

यहाँ पर एक चार्ज लगाया गया और यह विश्वास सारे देश में है कि जो ऊपर नीचे हुआ वह इसलिए हुआ कि आप की पार्टी ने कुछ पैसा ले लिया।

मंत्री महोदय ने इस को मना किया और कहा कि यह गलत है, लेकिन क्या यह सही नहीं कि ए० आई० सी० सी० का जो अधिवेशन बम्बई में हुआ था उसमें एक ब्रोशर छपा था, जिस में एक पेज के ऐडवर्टाइजमेंट की कीमत 5 हजार रु० थी। उस में आप देखिये कि कितने मैन्युफैक्चरर्स के ऐडवर्टाइजमेंट थे। केवल मना कर देने से ही काम नहीं चलेगा आप को उससे अलग होना होगा। इस सरकार को मान लेना चाहिए कि वह एक कमिशन अप्वाइंट करेगी, और जिन लोगों को यह तथ्य मालूम है वह उस कमिशन के सामने उस को रक्खें और कमिशन यह फंसला करे कि सही मानों में जो ऐलिंगेशन लगाया जाता है कि 37 लाख रुपया लिया गया, वह लिया गया या नहीं केवल डिनायल से कुछ होने वाला नहीं है।

ड्रग प्राइस कंट्रोल आर्डर आप ने दवाओं की कीमतों को कम करने के लिए शुरू किया था। ग्राहिस्ता ग्राहिस्ता हमने देखा कि वह कीमतें कई चीजों में बढ़ गई और कई चीजों में कम की गयीं। कम किस चीज में की गयीं? कम उन चीजों में की गयीं जिनकी माँग बहुत कम है। जिनकी माँग ज्यादा है उनकी कीमतें बढ़ गयीं और इस तरह से बैंक डोर मैथड से मैन्युफैक्चरर्स को पैसा कमाने का

मोका दिया गया । टैरिफ कमिशन की जो रिपोर्ट है उसमें जो रिकमेंडेशन है वे 18 बेसिक ड्रग्स के बारे में है । मैं आपके जरिये से मंत्री महोदय से पूछना चाहता हूँ कि क्या यह सही है कि जिन 18 ड्रग्स के बारे में टैरिफ कमिशन ने रिपोर्ट दी थी और कहा था कि इनके दाम उनमें से 15 के दाम बढ़े हैं, दो के दाम वही रखे गये हैं और केवल एक का दाम कम किया गया है । टैरिफ कमिशन ने जो रिपोर्ट दी थी उस को भी आपने नहीं माना है । आपने उस से भी ज्यादा दाम बढ़ाये । फिर यह सरकार आंकड़े देती है कि हमने 20 करोड़ रुपयों का फायदा कन्ज्यूमर्स को कराया । यह केवल धोखा है और लोगों की आंखों में धूल झाँकना है ।

अगर आप का विश्वास है तो आप कोई इम्पॉजिटिव एन्वयरी कराइये । मैं मांग करूँगा कि टैरिफ कमिशन रिपोर्ट के आने से ले कर आज तक इस सरकार ने जो बग्लिंग की है, जिसके कारण लोगों को करोड़ों रुपयों का नुकसान हुआ है और मैन्युफैक्चरर्स को करोड़ों रुपये का फायदा हुआ है, इस के बारे में जांच करावें । यह बहुत ही गम्भीर आरोप है । इसके लिए एक पार्लियामेन्ट्री इन्वयरी कमेटी बैठनी चाहिए । उस के सामने यह भी आना चाहिए कि किस तरह से बग्लिंग हुई और आर्डर क्यों बदले गये । किस को उससे लाभ हुआ और कन्ज्यूमर्स को उस में कितना नुकसान हुआ । मैं चाहता हूँ कि सरकार स तरह की माँग को मान ले ।

दिल्ली ऐडमिनिस्ट्रेशन ने सर्वे करवाया । उस सर्वे के मुताबिक नोबलजिन, सेरिडान, जो रोजाना के काम में आने वाली चीजें हैं, उनके दाम 25 परसेंट बढ़ गये । लैंग्वेटिव की एक बॉटल का दाम 7 ६० से 27 ६० हो गया । इतना ही नहीं है दिन पर दिन जो चीजें काम में आती हैं उनकी शार्टेज होती जा रही है, उनकी क्वालिटी भी गिरती जा रही है

सबस्टैंडर्ड चीजें मार्केट में आ रही हैं । इस का भी ध्यान रखना पड़ेगा । मरीज समझते हैं कि हम ने दवा ले ली, लेकिन दवाओं का उन पर कोई असर नहीं होता ।

मैं पूछना चाहता हूँ कि मई 1970 से लेकर आज तक जिन्होंने आप को मुकररर कौमत्तों से ज्यादा दाम लिये हैं इस तरह के कितने लोगों का आप ने प्रोसिक्यूशन किया है और कितनों का प्रोसिक्यूशन नहीं किया है । आप ने माना है कि सब-स्टैंडर्ड दवायें बिकती हैं, लेकिन आप ने उन के खिलाफ क्या कार्रवाई की । मुझे दुःख है कि अभी तक कोई कार्रवाई नहीं की गई । इस बग्लिंग के लिए मैन्युफैक्चरर्स तो जिम्मेदार हैं ही, लेकिन यह सरकार भी काफी मात्रा में जिम्मेदार है जो दाम बढ़ाये गये ।

जो बेसिक रा मेटिरीअल्स हैं पहले मैन्युफैक्चरर्स उनको सीधे मंगवा सकते थे, लेकिन अब उन्होंने यह कर दिया है कुछ दिनों से कि वह सिर्फ एस० टी० सी० के जरिये से मंगवाया जाये और जो हरिद्वार में ऋषिकेश का आई० डी० पी० एल० है उस के जरिये से वह बिकेगा । क्या यह सही नहीं है कि इंटरनेशनल मार्केट प्राइस से तीन तीन और चार चार गुना प्राफिट वह कर रहे हैं ? कारण यह है कि जो बदानाम आई० डी० पी० एल० का कारखाना है वह रशियन कोलेबोरेशन से चलाया जाता है और उस में चाहना को जो मशीनरी भेजी गई थी, जिसको घान्सोलीट समझ कर उसने वापस कर दिया था, उसको लगाया गया है । 60 करोड़ ६० का इन्वेस्टमेंट होने के बाद जो 20 करोड़ ६० का नुकसान होगा उसको भट्ठो में रुपया डालने के लिये, कन्ज्यूमर्स का रुपया, सर्व-साधारण का रुपया, लासेज को पूरा करने के लिये आप इस प्रकार से कर रहे हैं । मैं आपके जरिये से कोट करना चाहता हूँ कि इंटरनेशनल मार्केट में बी-2 को प्राइस 180 ६० है जब कि आई० डी० पी० एल० की प्राइस 988 ६० है, यानी करीब करीब छः गुना । मेरे पास पूरी

[श्री कंवरलाल गुप्त]

ब्लिस्ट है। फालिक एसिड की इंटरनेशनल मार्केट प्राइस 254 रु० है जब आई० डी० पी० एल० की 1200 रु० है। इसी तरह से अनलजिन जिसका दामसाढ़े 51 रु० पड़ता है कस्टम वगैरह लगने के बाद, उसकी कीमत आई० डी० पी० एल० 136 रु० लेता है। इस तरह से आप देखेंगे कि दवाओं के दाम छः-छः गुने और आठ-आठ गुने लेकर प्रफिटिअरिंग की जा रहा है। इसका नतीजा क्या हुआ? क्या यह सही नहीं है कि बेसिक रा मेटिरियल को आप पूरी तरह से इम्पोर्ट भी नहीं कर पा रहे हैं अभी तक क्योंकि जितनी रिकवायरमेंट है उसका 10 परसेंट मुश्किल से इम्पोर्ट होता है और साउथ में तो एक ग्राम भी वह नहीं भेजा जा रहा है। मैं चाहूंगा कि मंत्री महोदय इसका जवाब दें। वह प्रफिटिअरिंग कर रहे हैं—वह बेसिक रा मेटिरियल को इम्पोर्ट ही नहीं कर रहे हैं बल्कि लार्ज स्केल पर प्रफिटिअरिंग भी कर रहे हैं। यह लीगलाइज्ड राबो नहीं तो फिर क्या है?

अब क्या हो रहा है? 100 रु० की दवाओं के ऊपर 50 रु० सरकार लेती है टैकमेज में एक्स-इज में। प्राफिट में 50 प्रतिशत चला जाता है और 35 परसेंट मुनाफा। रटेलर, केमिस्ट, और होलसेलर वगैरह ले जाते हैं। इस तरह से जिन दवा के बनाने पर रा मेटिरियल पर 15 रु० खर्च होते हैं उसकी कीमत 100 रु० पड़ती है यहाँ पर इंटरनेशनल मार्केट प्राइस के हिसाब से इस प्रकार की हमारी गवर्नमेंट है। इसलिये मैंने कहा कि वह सस्ती दवायें देने में बिल्कुल नाकाम-याब रहें। वह प्रफिटिअरिंग करती हैं और जो कंज्यूमर हैं वह सरकार और मनुफैचरर के बीच में पिस गया है। सरकार भी प्रफिटिअरिंग कर रही है और मनुफैचरर्स भी कर रहे हैं। इस तरह से दोनों की कॉन्स्पिरेंसी अनता पर भारी चोट करती है।

जितना प्रोडक्शन होता है, उसका 82 पर-

सेंट ये फारेन कम्पनीज करती हैं। उनका नेट प्राफिट 20 परसेंट तक जाता है। मेरी सूचना के अनुसार कुछ फारेन कम्पनीज ऐसी हैं, जो एक साल में ही अपने नफ़े से अपना सारा कैपिटल वापिस ले लेती हैं। प्लानिंग कमीशन की रिपोर्ट के मुताबिक आधी कम्पनियाँ दो साल में ही अपना सारा कैपिटल वापिस ले लेती हैं और बाकी कम्पनियाँ चार साल में अपना सारा कैपिटल वापिस ले लेती हैं। क्या सरकार इसको रोक नहीं सकती है? क्या यह सही नहीं है कि स्वदेशी का नारा लगाने वाली यह सरकार अब भी उनको एक्स-पेंशन को इजाजत दे रहा है? मेरी माँग है कि सरकार विदेशी कम्पनियों को अहिस्ता अहिस्ता स्वदेशी बनाये। उनका एक्सपेंशन बन्द किया जाये। मैं माँग करता हूँ कि सरकार विदेशी कम्पनियों को नेशनलाइज कर दे ताकि लोगों को ठीक दाम पर दवायें तो मिलें। लेकिन मुझे दुख है कि सरकार इस बारे में कुछ भी नहीं करना चाहती है।

मुझे इस बात का बहुत डर है कि जिस तरह से सरकार ने कीमतों के बारे में कन्फ्यूजन क्रीएट कर दिया है, उससे दवाओं की क्वालिटी गिर जायेगी। सबस्टैंडर्ड चीजें मार्केट में आनी शुरू हो गई हैं। 1969-70 में 393 ड्रगज़ सबस्टैंडर्ड पाई गईं। सरकार का उनके मनुफैचरर्स के खिलाफ कठोर कार्यवाही करना चाहिए।

इस देश में बेसिक ड्रग्स की शार्टेज है। परसों अखबार में निकला है कि सरकार और बेसिक ड्रग्स इम्पोर्ट कर रही है। इस समय जितनी रिकवायरमेंट है, सरकार उसका केवल 10 परसेंट इम्पोर्ट कर रही है। अगर यही हालत रही, तो तीन महीने के बाद 40 परसेंट दवायें मिलना मुश्किल हो जायेगा और उनकी

एक्यूट शार्टेज हो जायेगी। सरकार बताये कि यह शार्टेज न हा, उसके लिए वह क्या कदम उठा रही है।

मंत्री महोदय ने रोजाना आर्डर जारी करके और उनमें एमेंडमेंट वगैरह करके जो कनफ्यूजन क्रीएट कर दिया है, उस कहानी को बह बन्द करें। सरकार को इस बात की व्यवस्था करनी चाहिए कि जो मेजर ड्रग्स हैं, जो रोजाना इस्तेमाल में आती हैं, वे ठीक दाम पर मिलें और उनकी सप्लाय ठीक हो। मैं यह भी कहूंगा कि सरकार केवल माइन मेडिसन की दवाओं की सप्लाय की व्यवस्था ही न करे, बल्कि इनमें कोई इंडियन मेडिसन की दवा लेना चाहे, ता उसको वह भी मिल सके। हमारा एक गरीब देश है। यहां के लोग इतनी महंगी दवायें नहीं खरीद सकते हैं, जिनके बारे में खुद सरकार भी प्राफिटियरिंग करती है।

क्या सरकार अपना प्राफिट कम करेगी ? इस वक्त एकसाइज ड्यूटी, सेल्स टैक्स, इन्टर-स्टेट सेल्स टैक्स, एस० टी० सी० का प्राफिट, यह सब मिलाकर पचास प्रतिशत प्राफिट हो जाता है। मैं मांग करता हूं कि सरकार अपनी ड्यूटी कम करे, ताकि लोगों को सस्ते दामों पर दवायें मिल सकें, जो कि उनका मौलिक अधिकार है।

**SHRI DHIRESWAR KALITA** (Gauhati) : I must congratulate my hon. friend Shri Kanwar Lal Gupta for having raised this discussion about the drug price control orders. I think only yesterday a press release was given by the Ministry that as a result of this order the prices of drugs had gone down, and therefore, the demand had increased and because of the increasing demand, Government had placed an order through the STC for medicines worth more than Rs. 3 crores, on the basis of which they say that the drug price control order has been working effectively, which I submit is wrong. This is to prove their contention that the Drug price amendment order is working effectively, which is wrong and which Shri Gupta has proved to be wrong.

I can say this from my experience. I was laid up with fever on Oct. 28. The doctor prescribed me chloromycetin of Parke Davis. My brother went to get the medicine from pharmacy to pharmacy. Only one agreed to sell it but without cash memo. When my brother demanded cash memo because it has to be produced for getting reimbursement, the pharmacy refused to give the cash memo but gave the medicine.

Common people cannot get the medicine prescribed for them from the market. Dr. Triguna Sen said in a statement yesterday that due to the Drug Prices order, the demand has gone up and people are consuming more. That is not a fact. The fact is that manufacturers are not releasing the stock. They want to stifle Government policy; they want to set it at nought and make profit for themselves.

Shri Gupta has suggested nationalisation of the big foreign companies. I agree with him. This is a welcome change in his attitude. But along with this, Government should take one action in order that their policy is implemented. They should take control of the stocks. This was suggested in the Consultative Committee. In order that the consumers get the medicines they need, it is necessary for Government to take over the distribution, as they have done in the case of IOC. The IDBL should have a marketing division, or there should be some other organisation to look after this aspect. Just as petrol pumps have been opened in various parts to sell petrol, there should be a marketing division which will take control of the manufacturers' stock and distribute it through a proper agency in all the districts so that the order is really implemented. This is my submission. I hope Government will immediately act on it.

**SHRI C. M. KEDARIA (Mandvi) :** I am thankful to you for the opportunity given to me to speak.

On 4th December in the Consultative Committee this item was considered, I

[Shri C. M. Kedaria]

wrote to the Minister that because of some difficulties for meeting might be called at a suitable time, but he did not agree, nor had he even the courtesy to reply to my communication.

Coming to the subject-matter, we agreed in the pricing, but regarding shortage of essential drugs in the country, if the attitude of Government remains the same, I fear there will be more shortage of raw-materials and the drugs.

As regards the content of the prices, Shri Gupta has said that 55 per cent is accounted for by taxes. But I will add that it comes to about 85 per cent. I shall give you details, but first of all let me come to a drug known as Chloramphenicol which is very badly needed for typhoid and such other diseases. It is in short supply. The STC has not been able to procure it from abroad. It being a canalised item, it is the duty of the Government to supply it to the manufacturers. Some manufacturers like Parke Davies have been given licence for expansion, but they have given the excuse that the nitrogen plants are failing and that they are unable to manufacture this drug. So, they are charging very heavily. The DGTD recommended to the Government that this drug should be imported, but the import has not been allowed. So, bungling, is going on in the Government. Will the Government appoint a committee as suggested by Shri Kanwar Lal Gupta to enquire into the matter.

This Ministry does not have offices throughout India so that they may not know what the demand is. Even the DGTD has no such arrangement. Only the Drugs Controller has an arrangement in each State, but he is not consulted and this Ministry takes a decision on its own, at the cost of the patients. So, I request that in the matter of pricing the Drug Controller may also be taken into confidence or consulted:

Coming to costing, I may point out that eight to eleven per cent is taken up

by way of Sales tax and Central tax, 20 per cent by customs duty and seven and half to ten per cent by Excise duty. It amounts to about 40 per cent. Then three to four per cent is taken up by octroi duty and Bank commission and ten per cent by incidentals like packing charges. Thus it amounts to 55 per cent.

There is a further 15 per cent by way of profit by the manufactures and 15 per cent by way of profit by wholesalers or retailers. Thus you will see that for a drug worth Rs. 100 in the market, the raw material needed is worth only Rs. 15. Mr. K.L. Gupta referred to IDPL, I should like to refer to one example—folic acid which sells at Rs. 1300 kg. Its international price is Rs. 250. Taking into account the remaining 15 per cent of the cost of the drug, it is sold five times the landed price. It means that any person who makes an investment on 25 kg. can take away Rs. 60 lakhs within six months. Still we say that we have a reasonable price and we want to care for our patients. It is absurd. The Ministry should be alert and should take the necessary steps so that drugs may be made available to people in our country at reasonable prices. Otherwise there will be great shortage in our country. Whatever canalised items may be there, the small and medium manufacturers must have an import licence at least for six months; they must be encouraged. That is my plea. I request the hon. Minister to accept this suggestion and bring down the price of drugs.

SHRI LOBO PRABHU (Udipi) : This is a very important subject; a matter of life and death for millions of people in our country. Therefore, it must be examined exhaustively and at the same time dispassionately. There is no room for misleading anyone, ourselves, the public or the Government or even the industry. I should like to put certain figures before you to set the record straight because there has been considerable confusion. I should like to establish the romance of the drug industry in this country. In 1952 the capital in this

industry was Rs. 24 crores and production was Rs. 36 crores. In 1967 the capital was Rs. 200 crores and production Rs. 250 crores. We are producing every type of drug and the Tariff Commission has admitted that our prices, I am sorry to differ from Mr. Gupta, are lower than in other countries. That is not the finding of any individual who made an enquiry but it is the finding of the Tariff Commission. From this industry today you have an export earning of 6.5 crores and on the whole we have every reason to think of this industry as a very successful industry which employs 275,000 workers and has the record of being also a very good employer with wages which have been examples to others.

I come next to the question which may not please the Treasury Benches. Why has the Government treated this industry as if it was a criminal? The record of controls goes back to 1963 when as a result of the Chinese aggression, the prices were frozen, subject only to increase which the Government would approve. It happened that these increases were not allowed even after a period of eighteen months when they were asked for. In all these years, the industry struggled in spite of high rise in other prices and supplied the market with essential drugs without increasing the prices of drugs. In 1969 the Minister was holding an enquiry from the industry whether they could supply to our hospitals at special prices in special packages which could prevent pilferage. The industry made its suggestion, and I do know what happened to that. Although the Minister concerned is not here, the Minister of Petroleum and Chemicals may be able to tell us. But a very good chance was lost to make available to the poor people in the hospitals the medicines at lower prices under packages which were not capable of being sold in the open market.

Now we come to the petroleum and Chemicals Ministry which unfortunately is

in charge of a subject properly for the Health Ministry. They have tended to treat drugs as if they were chemicals used not for protecting life but for destruction of life. In January last, the Ministry placed the report of the Tariff Commission, received two years ago, in 1968, on the Table of the House. The first question is, why did the Ministry allow this report to lie in cold storage. Did they not have a responsibility when a prestigious Commission had made an enquiry, to make the report available without delay? When the report was laid on the Table of the House, the Minister proposed to the industry that they reduce their prices by 25 to 30 per cent.

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

SHRI LOBO PRABHU. : Sir, I have not even covered half. What I am saying is in the interests of the country. You must allow me to speak.

Then, when the proposal was made to the industry, that they reduce their prices by 25 to 30 per cent, the industry returned the charge saying that it was impossible, and therefore, the Ministry agreed that they may mark up, up to 75 per cent on the cost or they remain within 15 per cent profit. I would like that to be noted. Profit was limited to 15 per cent in which case the mark up could go for non essential drugs to 150 per cent. The industry followed that direction, and notified to about 65,000 dealers that the prices were under that formula. And the result was they reduced the prices of 44 per cent of the items; they kept the same prices for 40 per cent of the items and they increased the prices of only 16 per cent of the items. It is a very important thing, because my friend talked again and again of the prices having been raised on these calculations which showed a reduction in the total of Rs. 16 crores. Let that be noted. There was no increase. There was a reduction.

Then the question is about 16 per cent of the items.

**SHRI KANWAR LAL GUPTA :** Whose cause are you pleading ?

**SHRI LOBO PRABHU :** I am pleading the cause of truth. Listen to that for once. So it was admitted that they had reduced the prices to such a large percentage, and then the question is, why did not the Government accept their proposals. Why did Government throw the whole thing out and say "you must not increase even for 14 per cent?" Has the Government realised that after all, when the Tariff Commission has said that our prices were lower than the world prices, they could not complete us to do so ?

I am now coming to the third part of my speech. Why our prices are as high as they are and how they can be reduced. It is very important, because there I agree with Shri Kanwar Lal Gupta. If you charge high prices, you will endanger the health of the people; you are failing in your primary duty to assure to the population of this country such safeguards as can be provided by science for their well-being.

There are five different causes for increase. The first cause is that your erratic policy, your hasty decision, has confused the whole market that even honest people do not know what prices to charge. They have charged higher prices than before in order to cover themselves for replacement. That is one thing which you must decide: that whatever you do, do it once and for all. Do it very clearly and remain in that particular position.

The second reason for the increase in prices is the cost of the new system, the pooled prices which you have introduced.

The STC is reported to make a profit of Rs. 6.5 crores on the imports. The sale proceeds of IDPL today do not even cover its losses. Its sale proceeds are about Rs. 10 crore, but the losses are more than Rs. 10 crores. The Madras factory produces instruments which are out of use. The antibiotics factory at Risikesh works only at 20 per cent of its capacity.

Because of its frequent breakdowns, the price of the drug produced at this great prestigious antibiotics factory is higher than the cost of imported drugs. You are charging the consumer and the industry for the inefficiency of your own enterprise. If these are the basic drugs, what is the position ?

The third reason is the taxes which have been imposed, which amount to 44 per cent. I would request the Minister to take it up with Finance as to why they should make people pay so much taxes at the cost of their health. Then, labour costs have risen by 74 per cent since 1960. Lastly, there is no research in this country and the way you are going with the Patents Act, there will be no new medicines. You will be working on medicines which are too old. My good friend was condemning foreign medicine. I am one with him, but if you want modern medicine, you must open your gates to inventions. You can do that only when you have finance. I do hope the minister will see that the prices are reduced and that the industry is treated fairly, because it has served the public very well.

**SHRI JYOTIRMOY BASU (Diamond Harbour) :** The drug plunder that has been perpetuated in the country during the last 22 years is nothing new. We have seen how USAID has been allowed to take a thousand per cent more money from us for items which could be bought at a fraction of that price. That was done with the collaboration of the Government. Otherwise, it would not have been possible. Today, if you look at the great Indian procedures like Sarabhai's, during the last 15 years they have amassed a huge fortune. Of course, they have parted with a part of it for the others who have allowed them to make that fortune. This is most distressing.

From 1952 till this year they have been dilly-dallying and shilly-shallying with the Patents Bill. Every time it was brought up, it was sabotaged for a consideration and they were allowed to plunder mercilessly. The foreign drug business in



this country is today operated by a man called Keith Roy whom the Government consult on the question of control of drug prices...

SHRI LOBO PRABHU : He is an ex-I.C.S.

SHRI JYOTIRMOY BASU : That is why he knows the country much too well and the plunder is much too deep.

When Pandit Nehru was alive, at times he flared up when he was told about the high prices of drugs, but unfortunately nothing had been done about it.

There is a lot of talk about import. So far as STC is concerned, the main thing is, its point of procurement price is something which is not based on global enquiries. At the point of procurement, you are paying the seller's price. You do not count the chicken before they hatch. Please do not talk about high price because you are buying them at very high prices from foreign people, draining the country of precious foreign exchange.

So far as the Government's announcement is concerned, it is a new drama they have enacted for the purpose of election, which is nearing. For expensive AICC sessions etc. they want to collect *chanda*. We have seen what they have done in the case of Dalda, partial decontrol of sugar...

MR. CHAIRMAN : The difficulty is, you bring in politics into everything.

SHRI JYOTIRMOY BASU : I assure you that I would not do it again.

The Government made an announcement and some people became hopeful, but not we and many others, those who know the character of this Government.

On 1st August, 1970 a few producers reduced the prices for a few items but for other items the prices jumped by leaps

and bounds. People resented it and Parliament resented it. On the 19th August, 1970 the Cabinet was more or less forced to make a declaration that the prices would go back to the pre-15th May, 1970 level. But according to clause 7 they were allowed 75 per cent. mark up for cost of materials, cost of manufacture and cost of packing plus 75 per cent. Out of this 40 per cent would go to the producer and 35 per cent to the trade. When the cost of production is one rupee it would be sold at Rs. 1.75. In this process, those who fixed prices on the basis of 19th August declaration were not required to reduce the prices. They almost doubled the prices on 15th May. The trade discount for ethical products was fixed at 12 per cent and for non-ethical products at 10 per cent. Thus Government made scope for the manufacturer to make an extra profit of 8 per cent more. May I ask the hon. Minister how it is that all the items of Bengal Chemicals, Bengal Immunity and Sandoz were allowed increased prices ?

I will give you the price levels on 15th May and 18th August for some items which will make the position clear.

Name of the item	15th May	18th August
Calcium Gluconate		
25 amp. 5 cc	4.80	10.00
Dextrose 540 ml.	6.00	7.08
Lacto Protin		
25 amp. 5 ml.	6.00	12.30
Pituitary 25 amp.		
0.5 ml.	7.50	13.27
Diphtheria 10,000 unit Anti-toxin	15.00	19.94

So plunder is there.

**SHRI LOBO PRABHU :** With the blunder.

**SHRI JYOTIRMOY BASU :** From the government.

The prices remained the same between 1963 and 1970 under the old Price Control Order. So, you wanted to find a new harvest and you immediately created a situation. One can easily guess why the government allowed it.

Previously, a small retailer could buy a bottle of milk of magnesia for Rs. 1.95 and sell it for Rs. 2.12 to 2.34. But today he has to buy it at Rs. 5.21 and sell it for Rs. 5.79. But producers are entitled to sell a bottle of magnesia worth Rs. 1.95 for Rs. 5.21; what a fantastic profit! But the small retailer, who survives on small business, gets only 12 per cent.

Among others, Bengal Chemicals, Bengal Immunity and Sandoz increased prices. According to clause 14 other groups raised prices by showing gross profit of 15 per cent. On 18th August they too went back to pre-15th May price.

Producers took to maximum retail price and reduced small traders' discount from 25 per cent to 10 to 12 per cent. The producers got another extra profit of 4 to 5 per cent.

Now traders are forced to charging 10 per cent to 15 per cent more on 15th May, 1970 prices from consumers which includes sales tax etc. This means an increase of 15 to 20 per cent on the ultimate consumer. When you go and buy a medicine in the counter you have to pay that much.

Previously producers did bear the cost of marketing. It has created a semimonopoly of distributors and the outcome is 7,000 wholesale licensees are being almost thrown out of business, all being done to get more money for producers.

In this country the total turn-over on

drug business is about Rs. 200 crores a year and for this period a section of the manufacturers have made not less than Rs. 7 crores to 8 crores by the trickery of the government. Where is the money and how much of it has gone to the party funds?

With your permission, I want to produce a letter which I have got the other day on Sandoz, in which the poor man was involved, that all the prices have been increased because, he alleges, that a Minister became friendly with\*\*

I will except the Minister to make a statement on this, refuting or accepting this.

**MR. CHAIRMAN :** I have always requested you to write to the Speaker if you want to mention any names.

**SHRI JYOTIRMOY BASU :** I have not mentioned any names.

**MR. CHAIRMAN :** You are mentioning the names.

**SHRI JYOTIRMOY BASU :** I am entitled to mention that name.

**MR. CHAIRMAN :** No, not unless you write.

**SHRI JYOTIRMOY BASU :** A member or Minister I can mention.

He is there to defend him.

**MR. CHAIRMAN :** I will not allow that to go on the record.

**SHRI JYOTIRMOY BASU :** All right.\*\*

My demand is : Nationalise this vital sector of the industry which serves humanity and set up an inquiry commission to go into the matter of collection of funds using drugs as a tool.

\*\* Expunged as ordered by the Chair.

श्री ५.काशबीर शास्त्री (हापुड़) : समापति जी, मैं संक्षेप में दो तीन सुझाव देना चाहता हूँ। पहली बात तो मेरी समझ में यह नहीं आती कि जो औषधियों वाला विभाग है वह पेट्रोलियम ऐन्ड केमिकल्स मिनिस्टर के साथ क्यों रखा गया है ? वह स्वास्थ्य मंत्रालय के साथ होना चाहिए था। लेकिन चूँकि केमिकल्स के साथ इनका सम्बन्ध है इसलिए शायद औषधियों का विभाग डा० त्रिगुण सेन के साथ है। लेकिन यह ऐसा ही है जैसे हमारे यहाँ सिंचाई मंत्रालय तो एक को दे दिया जाय और विद्युत् मंत्रालय दूसरे को दे दिया जाय।

दूसरी बात यह है कि जिस समय सबसे पहले डा० त्रिगुण सेन ने यह घोषणा की थी कि औषधियों के दाम बहुत बढ़ गए हैं और सरकार उनके ऊपर नियन्त्रण करना चाहती है तो उसका परिणाम यह हुआ कि इस प्रकार की औषधियाँ जो प्रायः उपयोग में आती हैं वह सारी कि सारी भूमिगत हो गई, अंडर ग्राउंड हो गई और वह मार्केट में उपलब्ध नहीं होती थीं। मैं आपके माध्यम से रसायन मंत्री को एक सुझाव यह देना चाहता हूँ कि जब भी सरकार इस प्रकार की कोई घोषणा करे तो उसके पहले सरकार को तैयार रहना चाहिए और उसके पास इतना स्टॉक हो कि अगर दवाओं को बेचने वाले उन दवाओं को अंडर ग्राउंड करें तो सरकार मार्केट को इतना भर दे ताकि वे लोग उसका कोई दुरुपयोग न कर सकें। लेकिन सरकार उपाय तो घोषित करती है लेकिन उसके लिए पहले से कोई तैयारी नहीं करती है।

तीसरी बात यह है कि सरकार को इस घोषणा से नुकसान क्या हुआ ? नुकसान सबसे बड़ा यह हुआ कि आपने तो यह कहा कि औषधियों के मूल्य कम किये जायेंगे लेकिन वह और

अंचे चले गए। और तब आपने कहा कि अच्छी बात है, दाम पहले जहाँ पर वे कम से कम वहाँ पर रहने दिये जायें। तो इस प्रकार से जनता को जो लाभ होना चाहिए था वह नहीं हो पाया।

एक बात मैं निजी औषधि निर्माण करने वाले कारखानों के सम्बन्ध में कहना चाहता हूँ। मेरी जानकारी में यह बात आई है कि पिम्परी और ऋषिकेश कारखानों में कुछ इस प्रकार की सामग्री जोकि दोषपूर्ण मान करके रजेक्ट कर दी जाती है उसको प्राइवेट कारखाने खरीद लेते हैं और फिर उसका उपयोग करते हैं। उसकी औषधियाँ बनकर मार्केट में आती हैं। मैं चाहता हूँ कि मन्त्री महोदय इस बात की जानकारी प्राप्त करें। मेरे पास तो इस प्रकार के एक दो प्रमाण पिम्परी और ऋषिकेश के सम्बन्ध में आये हैं। इस प्रकार से जन जीवन के साथ जो खिलवाड़ करने की बात है, उसमें चाहे कोई भी संगठन हो, निजी या सरकारी - लेकिन यह जो देश में मिली भगत चल रही है उसका कड़ाई के साथ कोई उपाय होना चाहिए और सरकार को दंड की व्यवस्था करनी चाहिए ताकि जनता के स्वास्थ्य के साथ इस प्रकार का खिलवाड़ घागे न चल सके।

अभिः पीछे रसायन मन्त्री ने एक बात और कही थी कि जिन औषधियों का अभाव हो गया है उनके लिये सरकार अपनी ओर से दुकान खुलवायेगी। लेकिन सरकार दुकान खुलवायेगी कलकत्ते में, बम्बई में, दिल्ली में परन्तु उन बेचारे ग्रामवासियों ने क्या प्रपराध किया है ? उन तक सरकार कैसे पहुँचेगी ? उनको तो उसी महंगे मूल्य पर दवाई खरीदनी पड़ेगी। सरकार उन लोगों से डरती है जोकि बाबाल हैं, जो समाचार-पत्रों तक पहुँच जाते हैं। लेकिन जिनकी नहीं पहुँच नहीं है, जो कुछ कह नहीं सकते हैं

और आज औषधियों के प्रभाव में जिनके बच्चे और परिवार के लोगों को मृत्यु का प्रास होना पड़ता है, उनको भी उचित दामों पर दवाइयां उपलब्ध हो सकें उसके लिए सरकार क्या व्यवस्था कर रही है? इसका एक ही उपाय हो सकता है कि औषधियों का अधिक से अधिक उत्पादन हो ताकि इस प्रकार से औषधियों के दाम न बढ़ सकें।

अंतिम बात जिसको कहकर मैं बैठ जाता हूँ वह यह कि हमारे समाज के अन्दर जो कुछ इस प्रकार के लोग हैं जैसे कि रोगी हैं, अपाहिज हैं, अनाथ हैं उनके ऊपर सभी को समान से रूप कृपा करनी चाहिए। यह सरकार का ही दायित्व नहीं रह जाता, उनका भी दायित्व है जो औषधियों को बेचते हैं। लेकिन इस प्रकार से जो लोग उन लोगों के साथ या जन-जीवन के साथ खिलवाड़ कर रहे हैं, मैं चाहता हूँ कि जहाँ उनकी इस प्रकार की कुप्रवृत्ति पर रोक लगाई जाये वहाँ इस बात की भी उचित रूप से जांच की जाये कि आखिर यह परिस्थितियां पैदा क्यों हुई कि औषधियों के दाम इतने अंश में ऊँचे चले गये और सरकार के प्रयत्न के बाद भी वह दाम स्थिर नहीं हो पाये हैं। इस बात के सम्बन्ध में एक उच्च-स्तरीय जांच समिति गठित बिठाई जानी चाहिए, जिससे कम से कम आगे के लिये इस प्रकार की बातों औषधियों के मूल्यों के सम्बन्ध में न हो सकें।

श्री रणधीर सिंह (रोहतक) : सभापति महोदय, जैसे खाना, ओड़ना और मकान बगैरह का बन्दोबस्त बेसिक नी डस है वैसे ही दवायों भी उससे कम नहीं हैं। आज के सारे डिबेट का जो निचोड़ है वह यह है कि जिस तरह से हम बन्दोबस्त करते हैं कि खाना सस्ती से सस्ता मिले जिन्दगी के लिये उसी तरह से दवाओं का

भी इन्तजाम होना चाहिये। अगर एक आदमी भूखा मरता है तो उसके लिये खाने की जरूरत होती है उसी तरह से एक आदमी बीमार होता है उसको भी अच्छा खाना चाहिये। जब खाना खरीद कर लेना मुश्किल है उसके लिये तब वह महंगी दवा कैसे खरीदे। जिस तरह से रोटी कपड़ा और मकान की जिम्मेदारी गवर्नमेंट की है उसी तरह से उसको एखलाकी जिम्मेदारी है कि दवा भी लोगों को सस्ती से सस्ती मिले।

मैं इस बात को मानने के लिये तैयार नहीं कि दवाओं के सरतेपन में फर्क नहीं पड़ा है। मैं अपने फर्ज में कोताही करूंगा अगर यह बात नहीं कहूंगा। यह बात ठीक है कि डाक्टर सेन के चार्ज लेने बाद मई में कुछ दाम बढ़े, लेकिन एक दम में 50-60 परसेंट जब वह गिर गये तब सारे देश में एक भगदड़ सी मच गई और मैन्युफैक्चरर में ने समझा कि हम मर गये। जो कैपिटलिस्ट्स थे, जो आक्टोपस थे दवाओं के मैन्युफैक्चरर उन पर असर हुआ जब यह किला टूटा। लेकिन मैं इतना जरूर जानना चाहूंगा कि कहां तक गमती से सस्ती दवायें हर आदमी को भोंपड़ी में भी, कच्चे कान वाले को भी, देहात के हरिजनों और गरीब आदमियों को, शहर के मजदूरों को अपनी जब से पैसा खर्च करने पे मिनीं, जिनसे उनकी जान बची। हमारे देश में ज्यादा से ज्यादा अमवात इसलिए हुई हैं कि कोई महंगी दवायें नहीं खरीद सकता और मर जाता है।

यहां पर रेडिरेक्शन की बात की जाती है। इंजेक्शन में मिक्स्चर, हर चीज में मिक्स्चर होता है। मैं पूछना चाहता हूँ कि क्या गवर्नमेंट के पास ताकत नहीं है कि दवाओं का प्रोडक्शन ज्यादा से ज्यादा कराये, और जैसा कंबरलाल गुप्त ने कहा वह कुछ आदमियों के हाथों में न रहे? अभी श्री गुप्त ने बेतलाया

कि बाहर की कम्पनियों ने एक ही साल में अपना सारा सरमाया पूरा कर लिया ? इस तरह से आप यहां के किसान और मजदूर को फांसी चढ़ा देते हैं। क्योंकि आप सारे हिन्दुस्तान की किस्मत इन मैनुफैक्चरर्स के हाथ में और बाहर की कम्पनियों के में देते हैं। आप ने बड़े बड़े लैंड-लार्ड्स को खत्म कर दिया, आप भ्रमन प्रापर्टी पर सीलिंग लगाने जा रहे हैं ? यह जो बड़े बड़े फ़ैक्टोपस हैं, जो बड़ी बड़ी कम्पनियां हैं यहां की और विदेशों, उनके लिए आप क्या करने जा रहे हैं ? यह जो दवाघों वाले हैं यह किसी भी प्रोबी पर्स वाले राजे महाराजाओं से बड़े हैं। वह करोड़ों रुपये ब्लैक से कमाते हैं। मैं पूछना चाहूंगा कि जो विदेशी कम्पनियां हैं और हिन्दुस्तान के बड़े बड़े मैनुफैक्चरर्स हैं दवाघों के उनको आप नेशनलाइज क्यों नहीं करते ? अगर आप उनको नेशनलाइज करें तो ज्यादा में ज्यादा प्रोडक्शन दवाघों का होगा और उनकी कीमतें कम होंगी। रस्ती से सस्ती चीजें गरीब लोगों को मिलेंगी। आप ऐसा क्यों नहीं करते हैं ?

यहां पर ऐडल्टरेशन बहुत ज्यादा है। इस पर भी सरकार रोक लगाये। मैं चाहता हूँ कि इस के लिये जो लाज है उनको आप और रिगोरस बनायें ताकि जितने पैसे की दवा बोर्ड ले वह उतने की तो पूरी मिल जाये। आज कोई दवा लेने जाता है तो मिलता है पानी, इंजेक्शन लगवाने जाता है तो नोम हकीम खतरे जान वाली बात होता है। किसी को ठीक चीज नहीं मिलती है। आखिर कोई ला तो होना चाहिये जिससे गरीब लादमी को सस्ती दवायें मिलें और जहाँ भी वह जाय उसको सही चीज मिले।

मैं चाहूंगा कि मिनिस्टर साहब खास तौर पर इन बातों का जबाब दें।

19 Hrs.

THE MINISTER OF PETROLEUM AND CHEMICALS, AND MINES AND METALS (DR. TRIGUNA SEN) :  
Mr. Chairman Sir, I have listened with great attention to what the hon. Members have said during the present discussion and the previous ones.

We have been criticised simultaneously for doing too little and too much, too slowly and with haste. Obviously, one or the other aspect should be incorrect.

However, throughout all this criticism I sensed the common desire of hon. Members that the drugs should be priced reasonably, so as to be within the reach of the common man and the Drug industry should, at the same time, continue to grow in an orderly manner, in accordance with our National policies such as progressive Indianisation, greater self-sufficiency in basic and bulk drugs, etc.

Government are second to none in pursuing the objectives and as we have stated on earlier occasions, we are determined to continue them, however hard and long may be the efforts to be taken. I have made it clear in the House and out side that the present exercise is only the first phase.

The huge task of rationalising the drug prices is indeed unprecedented in nature, the like of which has not been attempted before in any country. No one should delud himself that the objectives can be achieved overnight or in one attempt.

Sir, I do not understand why some Members chose to bring politics into this matter, when we are all agreed on the objectives. I do welcome constructive criticism, but the critics must take into account the complexity of the entire problem.

[Dr. Triguna Sen ]

The Drug sector, hon. Members should know, is a complex one, and bristles with diverse interests, which are complementary in some respects, but opposing in other respects.

On the manufacturing side, there are firms entirely foreign-owned and foreign-controlled with close links with international companies as well as up and coming firms under Indian ownership and management, trying to compete with the foreign ones. Besides here are also about 2,000 small-scale firms trying to establish themselves in competition with the larger ones.

On the distribution side, there are distributors, stockists, wholesalers semiwholesalers and retailers. All of them have assured me that they are one with the Government in ensuring that the price would be reasonable, consistently with the cost of production and distribution.

But, at the moment, each of them tends to highlight his own interest, at the expense of the other, as for example, when the manufacturers argue for higher mark-ups in individual cases the trade holds forth for large commissions as of the past.

In this context, the Government has to hold the balance even among the diverse interests and call upon each of them to sacrifice a part of their high margin of profit in favour of the consumers. This applies equally to the manufacturers and to the trade. It varies also according to their capacity. In the nature of the industry, a degree of flexibility, hon. Members will understand, is essential.

As a result of the price control, the extent of reductions since 1st August in life-saving drugs is roughly of the following order : For anti-biotics upto 75% for anti-dysentery preparations upto 41% ; for anti-diabetics (Oral) upto 54% ; for vitamin preparations upto 71% and for hormone preparations upto 69%.

This has happened from the 1st of August. Now, many friends have conveniently ignored these benefits from the important reductions in life-saving drugs and have concentrated on a few increases in some items like common household remedies, and some Members hinted that we allowed them to be increased so that we could get money for the party fund or something like that, which is inconceivable.

SHRI KANWAR LAL GUPTA : Why inconceivable ?

DR. TRIGUNA SEN : It is true that some firms did put up increased prices for some of these items on August 1, but the public and Parliament showed naturally great resentment and concern over this, and immediately we issued a freezing order, seeking these firms to go back to the May 15 prices pending scrutiny. Now, this scrutiny. Now, this scrutiny has since been completed in consultation with the firms concerned. The discussion were conducted in a co-operative atmosphere. Here, I must place on record my appreciations of the co-operative attitude shown by the various firms during the discussions. Regarding the 53 firms with a degree of foreign investment, the prices of about 55 per cent of their packs will now stand reduced, while 30 per cent will have the same price as before May 15, and increases in less than 8 per cent, and the remaining 7 per cent being new packs. This in my opinion is very satisfactory, considering that the prices of most of the firms remained frozen during 1963; and very few did come for increases during 1966-70, when selective increases were being made.

In the case of Indian-owned and Indian managed companies in the large, medium and small scale sectors which are correspondingly young in this industry, whose prices were not high comparatively, a somewhat larger percentage of increases have had to be allowed in view of the increased cost of raw materials and their low margins. Even there, the number of increases is round about 12 per cent while the reductions are 41 per cent and the stationary

items 37 per cent the remaining 10 per cent being new packs. This revised price-list will be brought into force with effect from 1st January, 1971. It is our calculation that the benefit to the community will be of the order of Rs. 20 to 25 crores out of a total turnover of Rs. 250 crores.

श्री कंबरलाल गुप्त : सरकार टैरिफ कमिशन की रिपोर्ट पर दो साल तक बैठी रही। तो उसने उन को पचास करोड़ रुपये का फायदा करवाया न ?

DR. TRIGUNA SEN : You will agree that this is not a mean achievement. This was made possible as a result of the control order which has been termed as a hoax, ill-conceived and politically motivated.

We are not resting on our oars. This is the first phase of our exercise. The second phase will be taken up in due course after the current study by the Bureau of Industrial Costs and prices into the prices of 25 bulk drugs and the conversion norms is completed and we have time to consider the findings later on. I hope I shall have the continued support of the House in this uphill task.

SHRI KANWAR LAL GUPTA : He has not replied even to a single question that I had raised.

DR. TRIGUNA SEN : I am coming to them.

Shri Lobo Prabhu had raised, and also Shri Kanwar Lal Gupta had raised the question that the Tariff Commission's report was published in 1968 and we sat on it. Shri Lobo Prabhu's question was why when the Health Minister was discussing with the manufacturers to supply cheaper drugs to hospitals it stopped. The commission's report was received in the later half of 1968. The broad conclusion is that the Indian prices of formulations are comparable to their prices in some Western Countries, although the prices of bulk drugs going into those formulations are

definitely higher in India than in other countries.

The Commission, however, felt that the formulations of the selected essential drugs bear some relation on the basis of other costs in India and a reasonable return on investment. Our Ministry then proceeded to attempt in consultation with the Health Ministry and other government organisations concerned to evolve guidelines for considering fixation/revision of prices. While these attempts were in progress, the Health Ministry initiated on its own a move to bring down prices for government supplies and to devise ways and means for preventing pilferage from government hospitals, of which you are aware.

A Committee of manufacturers was formed by the Health Minister. As the Committee's deliberations progressed, it became clear to the Health Ministry that it was not enough to maintain the prices of government supplies only, which means only about 20 per cent of the total turnover, but that the prices of the whole gamut of drugs had to be reduced if the community at large is to be benefited. Presumably because the latter is the subject of the P & C Ministry, the Health Ministry associated my Ministry with these deliberations. It is thus that my Ministry came to meet the Committee Set up by the Health Ministry for this limited purpose. Thus the earlier attempts to evolve an inter-ministerial consensus on the guidelines for the Drug Prices Control Order got momentum.

On 8-2-70, I wanted the manufacturers to give me their suggestions as to how they proposed to meet people's criticism that the drug prices in India were unduly high and the principles should be evolved for fixing prices while providing for a full coverage of reasonable costs including actual costs of research and mark-up for covering reasonable selling expenses. I put it to them that suggestions from them would help Government in making up their mind on the Tariff Commission's recommendations and the outlines of a

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new price control system. This was the reason for delay. We wanted to consult the manufacturers and come to a decision as to how to go about fixing the prices of the whole gamut of drugs.

Unfortunately, the manufacturers did not agree to divulge their cost of production. We discussed several times but as the cost of production of drugs was not available, it became difficult for us to come to a compromise.

Criticism has been levelled against frequent amendments, the so-called refusal to postpone the date of effect of the Control order pending scrutiny of price-lists and the hasty retreat to freezing, pending review of the date. This is based on a wrong understanding of the facts. Firstly, the amendments introduced, though somewhat frequent, did not affect the main framework of the control order and were meant to make marginal improvements to safeguard the interest of one or the other of the many types of component prices of the drug industry and trade, as I mentioned before. It may be readily conceded that the matter is very complex and Government would be failing in their duty if they did not respond quickly to the genuine points in the interest of the success of such a fundamental reform as price control of the entire gamut of drugs. Secondly, it is factually incorrect to say that the industry wanted prior scrutiny and approval of the prices, although some firms agreed to show their price-lists before issue on the due date.

The most controversial issues are the pool price, the working of IDPL and profiteering. The system of pool prices introduced in 1970 has been attacked by almost all the members as motivated to help out the IDPL and to enable the STC to make enormous profits, if I understood them correctly. The Government policy is to protect the indigenous manufacturer of drugs in the basic stages, be it in the public sector or in the private sector. It is well known that the cost of indigenous production is high compared to c.i.f. prices

of imported drugs, mainly due to the smaller scale of manufacture, high cost of imported equipment including freight and, above all, the policy of international cartels to offer on their export lower prices than the corresponding domestic prices. You will agree that we cannot afford to continue importing basic drugs, merely on the ground of lower prices.

SHRI KANWAR LAL GUPTA : But why are you profiteering on imported drugs ?

DR. TRIGUNA SEN : The pooling ensures that the price of the basic drug is uniform to all formulators, and the price is fixed after taking into account the local production. In fact, the price is based on the weighted average of the imported and indigenous material. STC which is in charge of the operation of the pool is not allowed to make any profit. The indigenous producer who is asked to sell at a price lower than appropriate to his cost is compensated from the excess realised on the sale of imported material at the pooled price.

Let us take on or two examples. For private units like Boehringer Knool, Dey's Manufacturing Co., Parke Davis and Sarabhai who manufacture these basic drugs benefit from this arrangement in the same way as IDPL.

SHRI KANWAR LAL GUPTA : That is even worse.

DR. TRIGUNA SEN : STC gets only its nominal handling charges and the commission. The pooling system is, in fact, an improvement over the 1969 system when chloramphenicol imported at Rs. 175 or so was sold at Rs. 410 per Kg. which was the price of the indigenous product. Under that system, STC made profits, but it cannot make now under this system. The criticism, I think, is not correct.

Coming to IDPL, it is in charge of distributing items in the line of manufacture. Now I give you some examples. Let



us take Streptomycin. We had canalised the purchase of 11 drugs. Streptomycin is manufactured by Hindustan Antibiotics, Synbiotics Ltd., IDPL and Alembic Chemicals. The cost of the imported material is Rs. 356.16 per Kg. The indigenous cost of production is Rs. 295 per Kg. The cost of production of IDPL is Rs. 446 per Kg.

SHRI LABO PRABHU : Why so high ?

DR. TRIGUNA SEN : You know the condition of IDPL, I need not repeat it. I have mentioned it once. But we have fixed the pooled price at Rs. 295 per Kg.

Tetracycline is being manufactured by pfizer, Cyanamide and IDPL. The cost of indigenous production by these firms is Rs. 850 and by IDPL Rs. 820 per Kg. We have fixed the pooled price at Rs. 650 per Kg.

SHRI KANWAR LAL GUPTA : What is the international price ?

DR. TRIGUNA SEN : Rs. 352.13 per Kg.

SHRI KANWAR LAL GUPTA : Three times.

DR. TRIGUNA SEN : I said that we have first of all to allow indigenous.....

SHRI KANWAR LAL GUPTA : He is misleading the House. They are manufacturing these basic drugs only nominally, hardly 10 to 20 per cent. Eighty per cent they are importing, and on the imported goods, they are making huge profits. He wants to conceal that.

DR. TRIGUNA SEN : Who is making huge profits? Is IDPL making huge profits?

Let us take phaenacetin. It is being manufactured by IDPL, Calcutta Chemical, Suneta Laboratories and Meanmaid Chemicals. The cost of production of the in-

digenous goods is Rs. 44, that of IDPL Rs. 36.81 and the pooled price is Rs. 41. The international price is Rs. 22.93 per Kg. I am mentioning, the cost of indigenous drugs is always higher ; still we must try to manufacture them. The only question of Mr. Gupta was whether IDPL and STC were making profits.

SHRI LOBO PRABHU : The poor people are suffering; you are not allowing them imports.

DR. TRIGUNA SEN : I have assured the Members that the prices of drugs have come down. Let us take analgin. The imported price is 81.14 per Kg. Indigenous production is 140 per Kg. by UNICHEM and another manufacturer; the IDPL cost of production is Rs. 100.16... (Interruption) is 100 double of Rs. 81.14 ? I do not know their arithmetic.

In the beginning I mentioned that the cost of production of indigenous manufacturer is bound to be more than the imported price for various reasons. Take Vitamin B-2. The imported price is 241.92. The IDPL does not manufacture them and production by indigenous manufacturers—other firms in India—is at a cost of Rs. 955 per Kg. We have fixed the pool price at Rs. 682 per Kg. Folic acid is another item. I am not leaving one item out. Imported price is Rs. 108; indigenous production by different firms is Rs. 1600 per Kg. and the cost of production by IDPL is Rs. 2621 per Kg. Pool price is Rs. 1312 per Kg. So, you can see how IDPL can make any profit.

SHRI LOBO PRABHU : Does the indigenous price include excise and if so, can you not reduce it ?

DR. TRIGUNA SEN : It includes everything.

SHRI LOBO PRABHU : Would the Government give this up for the sake of the people of this country... (Interruptions)

**SHRI KANWAR LAL GUPTA :** Could you vouchsafe that you are not making a profit on imported items ?

**DR. TRIGUNA SEN :** The IDPL is not making a profit. What is available to it is available to every manufacturer who get some advantage.

A doubt has been expressed about the shortage or availability of medicines. Some difficulty is inevitable when an exercise of the present kind is on, when different interests are affected and market situation gets somewhat disturbed. Some shortage of some items do occur temporarily here and there. You might have read in newspapers; we have liberalised import of raw materials in such a way that all manufacturers—big and small—get the requisite raw material to manufacture upto their capacity. I hope after this the manufacturers will not plead that they could not produce the required quantity of drugs due to non-availability of raw materials.

**SHRI C. M. KEDARIA :** Even in regard to canalised items ?

**DR. TRIGUNA SEN :** Yes. I have requested my colleague the Health Minister and he has also written to the State Governments. The drug controller and the inspector of drugs and the distribution system are looking after it. I am always in touch with him so that he could energise the machinery as soon as a shortage is reported from any quarter and he can attend to it.

**SHRI KANWAR LAL GUPTA :** What about the substitute medicines ?

**DR. TRIGUNA SEN :** That is also in the Ministry of Health. If the price of drugs go down, people will not be interested in manufacturing substitute drugs.

Now, I want to answer some questions. Mr. Kedia first accused me that he wrote a letter to change the date of the Consultative Committee meeting because he was going to Lucknow to attend the meeting of the AICC. The date of the Consultative

Committee meeting is generally settled by the Minister of Parliament Affairs. I passed on his letter to him, so, it was not for me to reply. I think I have told him that I had passed on that letter to them.

Now, as is usual with him, Mr. Jyotirmoy Basu said that....

**Mr. CHAIRMAN :** I have expunged it. Please do not refer to it. I have got it expunged.

**Dr. TRIGUNA SEN :** Thank you. I do not like to say anything on that.

He said that the price of INH and PAS went up during the years 1962 to 1967. I am sorry that those figures are not with me. I do not know what has happened before I joined. I have just calculated these things from the time I joined and have been saying how we can reduce the prices.

Then, about the Tariff Commission report, that they have mentioned certain prices of drugs and that we have increased them excepting in one case, it is not correct. The information that I have received is that except for penicillin and streptomycin for the remaining items prices have been reduced, and even in the case of penicillin and streptomycin, the prices have been kept stationary. The information of Shri Kanwar Lal Gupta is perhaps not correct.

Then it was mentioned that some drugs were sub-standard and the drugs from Rishikesh are being sold from out-of-date rejected material. I should like to say that in every drug manufacturing company, in the factories, there is strict inspection and quality control by the exercise department, and anything that gets out of the factory is being checked by them. I have never heard that there is any possibility of rejected material being sold. I can assure him that I can enquire if he wants.

**SHRI KANWAR LAL GUPTA :** What specific steps have been taken to Indianise the foreign companies which manufacture drugs ?

**SHRI LOBO PRABHU :** Buy shares.

**DR. TRIGUNA SEN :** Mr. Lobo Prabhu would not mind if I say that there is another side to the picture to which he referred. On the 1st of August, the Drug Control Order was announced, and on the 7th, in the *Statesman*, under big capital headlines, it came out that "the prices of some life-saving drugs have increased by as much as 400 per cent." I had my apprehension as to how the wind was blowing. Then, I also read in the *Times of India* that "US officials in India have advised the State Department that it may not become necessary for Washington to make 'a formal intrusion' into the drug price controversy in India because the courts are available and the pharmaceutical industry is 'quite capable of making its own points'. 'The big firms are highly competent in lobbying their case and in protecting their interests.'" (*Interruption*) You understand these things. Shri Lobo Prabhu quoted from this book—*Forum Enterprise*—and he referred to certain points. I want to answer them. He said—I am quoting from this—that "no one is likely to vouchsafe the fact that there was an outcry regarding a shortage of drug prior to May, 1970, nor was there any persistent public resentment against the prices of drugs prevailing at that time that would have justified Governmental intervention" and why did the Government do it? Is it for political reasons? That is No. 1.

No. 2 is this; that in the wake of Chinese aggression, in 1963, the Government being apprehensive that drug prices may rise, imposed the first Drug Price Control Order, prohibiting the manufacturers from raising the prices of drugs without its permission which naturally arrested the growth of industry. That is his second point. It is an established fact that when a new drug is marketed for the first time, its price initially is high on account of the heavy cost of

production and much expenditure incurred on research. It is exactly what has happened before.

Perhaps the House has not forgotten that it was on the floor of the House that a hue and cry was raised about the high prices.

**SENATOR KEFAUVE COMMITTEE :**

"India which does grant patents on drugs, provides an interesting case example. The price in India for the broad spectrum antibiotics, aureomycin and achromycin are amongst the highest in the world—a case of an inverse relationship between per capital income and the level of drug prices."

You cannot say that the drug prices were not too high in the country. (*Interruptions*).

It was argued that since 1962, there was no profit. Unfortunately, the Reserve Bank of India, does not maintain industry-wise information regarding the profit earned by branches of foreign companies. But the E. & S. Division of the ministry compiled the information for the two years 1968-69 and 1969-70 for 45 pharmaceutical firms. The sales turnover of these 45 firms in 1968-69 was Rs. 142 crores and in 1969-70 Rs. 164.3 crores, whereas they sent remittance abroad in the shape of dividend profits, payments on royalties, know-how fees etc., amounting to Rs. 361.46 lakhs in 1968-69 and Rs. 437.69 lakhs in 1969-70.

**SHRI LOBO PRABHU :** Not even 2 per cent.

**DR. TRIGUNA SEN :** The hon. member referred to research. The foreign companies in India, excepting the solitary instance of CIBA which is trying to state research, did not spend even a not a fraction of their profits in India is spent on research activities. It is amazing that they were defending their patent rights and profits or advancing the plea that the funds accruable to them are required for

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spending on research of new products to alleviate the sufferings of the ailing masses of India.

In the end, I would say in all humility and sincerity at my command that I have no political ambition in my life which has been mentioned by the Congress (O) in their memorandum which they have circulated to all. I think it is the duty of any Minister in charge of Petroleum and Chemicals and Fertilisers and Mines to see that the country produces these articles sufficiently and makes them available to the people at reasonable prices. We are only discharging our duties as ministers. There is no personal gain and no personal motive behind it. As I said, this is a very complex thing and want the co-operation of the whole House to do it.

SHRI KANWAR LAL GUPTA : What specific steps have been taken in the last 23 years to Indianise the foreign companies ?

DR. TRIGUNA SEN : In the last 23 years, we did not take any steps.

SHRI KANWAR LAL GUPTA : Agreed ?

DR. TRIGUNA SEN : Yes.

SHRI LOBO PRABHU : Profit margin for a firm was fixed at 15th per

cent of the total as against 20 per cent recommended by the Tariff Commission. Whatever were fixed by the companies, they were within that margin and no more. Would you confirm this ?

DR. TRIGUNA SEN : This was exactly the argument of the big foreign companies. As a matter of fact, when I went to Europe with the President on his tour, all the leading manufacturers and big firms met me in Switzerland. They were also apprehensive and asked, only with 15 per cent, how can there be growth ?

I explained to them that if the prices of drugs are reduced the turnover will be so big in our country that the profit will be more. Now how many or what percentage of the people use drugs in our country ? Very few. They realised it and they said : yes, let us see for one year. I told them "yes, you try for some time." They tried it for the last or three months and now they are admitting that the demand has increased four-fold already. So, we are importing raw materials for basic drugs. It is only because of the reduction of the prices that the people are using more medicines.

19.36 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, December 15, 1970 | Agrahayana 24, 1892 (Saka).*