

number in Calcutta. I fully appreciate the feelings of the hon. Member but with the progress of this work on hand....

[Translation]

SHRI V. TULSIRAM : What is the meaning of cross-connection?

[English]

SHRI SONTOSH MOHAN DEV : From the very beginning, he is agitated about the cross-connections. There is something wrong with his telephone.

[Translation]

SHRI V. TULSIRAM : There is a lot of difference between wrong and cross-connection.

[English]

SHRI SONTOSH MOHAN DEV : With the improvements being done, I hope this particular difficulty will be overcome.

Control on Drug Prices

*308

SHRI RAJ KUMAR RAI :
DR. B.L. SHAILESH :

Will the Minister of INDUSTRY be pleased to state :

(a) whether Government have taken note of the plight of poor people, particularly in rural areas, who can illafford buying medicines as a large number of drug formulations are not yet covered under the Drugs (Prices Control) Order and their prices are excessively high; and

(b) if so, the remedial steps being taken/proposed in the matter?

THE MINISTER OF INDUSTRY (SHRI J VENGAL RAO): (a) and (b). Government has enacted the Drug (Price Control) Order 1979 to subserve the objective of making available, in abundant quantities and at reasonable prices, drugs which are essential for the health of the people.

[Translation]

SHRI RAJ KUMAR RAI : Mr. Speaker, Sir, it is the avowed policy of our socialist Government and our popular young Prime

Minister has also reiterated time and again, after he was administered the oath of office, that the benefits of our programmes, laws and policies should reach the common man. The responsibility of implementation of the policies falls collectively on all the Ministers of the Government.

The Drug Control Order, 1979 was enacted in the interest of the consumer, but it is not complied with. If the poor do not get benefits, they will lose faith in the legislation. You are aware that the violation of the Drug Price Control order is punishable under the Essential Commodities Act. In his reply to Unstarred Question No. 1557 dated 2.12.85, the hon. Minister had stated in the Rajya Sabha that 185 drug companies were selling medicines without taking permission from the Government in respect of the prices. Four drug companies had violated it and two companies had made wrong categorisation.

Will the hon. Minister tell us as to how many cases have been filed under the Essential Commodities Act for violation of the Drug Price Control Order and what are the results thereof?

[English]

SHRI J. VENGAL RAO : The Drug Price Control Order, will apply only to category I, II and III. It will not apply to category-IV. The hon. Member mentioned that category-IV drug prices have gone up. Some companies violated this rule also. We are taking action against the two companies - (i) Warner Hindustan Ltd. and (ii) Richardson Hindustan Ltd. Both these companies have been served notice. Action is on to bring down the prices. After receipt of their explanation, final action will be taken.

[Translation]

SHRI RAJ KUMAR RAI : There is a clear provision against the violation of the Drug Control Order in the Essential Commodities Act but the hon. Minister is not telling anything about that.

SHRI GIRDHARI LAL VYAS : The first supplementary has not been replied to in full.

SHRI RAJ KUMAR RAI : Mr. Speaker, Sir, the first supplementary has not been replied to.

My second supplementary is that the prices of the drugs have been fixed under the Drug Price Control Order in the interest of the consumers

but the Departmental officers and the bureaucrats have not complied with it on the pretext of giving chance of hearing and natural justice. In this way, several multi-national and Indian companies in our country have managed to get stay orders in many cases from the Bombay and Delhi High Courts. As a result of these technical stay orders, the situation has deteriorated so much that natural justice has not been done and chance of hearing has not been given. The officers concerned are in league with them on these two or three grounds. The prices have increased so much that the ordinary consumer cannot buy these medicines.

MR. SPEAKER : Put the question.

SHRI RAJ KUMAR RAI : The hon. Minister had himself conceded in the Rajya Sabha in reply to Unstarred Question No. 84 dated 6-5-85 that the Government had fixed the price of Baraligan-a drug for relieving stomach ache-at Rs. 1810 per Kg. but the company was charging Rs. 24,735 per Kg. Similarly, the price of Dexamethasone had been fixed at Rs. 55,000 per kg. by the Government but the company was selling it at Rs. 1,95,000 per kg. This was admitted by the hon. Minister about one and a half years ago also. The position of the market is well known to the House. There is manifold difference between the rates. It is so simply because the companies have got Stay Orders on technical grounds and the bureaucrats' absence has led to chance of hearing and natural justice not being given to them. This collusion between the two is creating difficulties for the country

I want to know what action was taken by the Government to get the Stay Orders vacated? The Government has not done anything for the last six years to get the Stay Orders vacated. Should it then be construed that the Government is hand in glove with those companies and it is because of this that consumers are not getting medicines on cheaper rates?

MR. SPEAKER : You are going ahead with your speech.

SHRI RAJ KUMAR RAI : You should formulate a new drug policy.

MR. SPEAKER : Leave this controversy. Adopt Ayurvedic system.

[English]

SHRI J. VENGAL RAO : As I mentioned in my earlier answer, the Drug Control Order will

not apply to Category IV. Under that, multi-national companies' products will come. Very soon the Government is going to announce the new Drug Policy and we will take care of all these things.

[Translation]

DR. B.L. SHAILESH : Mr. Speaker. Sir, the hon. Minister had stated in the meeting of the Drug Association on November 14 that the Government was going to take a decision to increase profit in the medicines and that several medicines were going to be excluded from the purview of price control order.

I would like to know from the hon. Minister whether this proposal regarding pricing policy has been studied thoroughly and how much will it affect the prices of the medicines? Will the poor be able to buy medicines in this way?

The hon. Minister had himself stated in this House on 17th December 1985 in reply to Unstarred Question No. 4301 that the prices of the medicines which had been excluded from the purview of the price control order had increased by 53 per cent to 175 per cent. in such a situation, will the poor be able to purchase these medicines?

[English]

SHRI J. VENGAL RAO : I entirely agree with the hon. Member. The report is ready. It is going before the Cabinet. Very soon we will announce the Drug Policy and the medicines will be within the reach of the poor man.

SHRI SURESH KURUP (Kottayam) : The answer given by the hon. Minister is totally disappointing. It is a fact that there are many medicines and drugs which are used by the common people and which do not come under the purview of the DPCO; for example, Vicks Vaporub which is extensively used by the common people. It does not come under its purview. I am astonished to find a statement by the Minister for Chemicals while addressing a meeting in Bombay—it is reported in the November 16th Economic Times published from Bombay—that Government plans to decontrol some drugs which are now under the purview of DPCO. The obvious thing in that, if it is decontrolled, the price will go up. So, I would like to know from the Minister whether the Government intends to de-control some drugs which are now under the purview of DPCO.

SHRI J. VENGAL RAO : It is a poor matter. Now it is before the Cabinet. We will take a decision in favour of the poor man, not in favour of the rich or in favour of any company.

SHRI SURESH KURUP : It was a statement by the Minister for Chemicals which has been reported in the Papers that Government plans to decontrol some drugs. Is it the opinion of the Government?

SHRI J. VENGAL RAO : It is not the opinion of the Government.

SHRI SHANTARAM NAIK : People have to purchase drugs in pharmacies at exorbitant prices. Sometime for weaker section people drugs are available in Health Centres; but due to non-availability of drugs there they have to purchase at exorbitant rates outside. To stop this, may I ask whether you are going to evolve any scheme whereby you can subsidise these drugs for weaker section people?

[Translation]

MR. SPEAKER : Then again somebody will swallow the subsidy

SHRI V. TULSIRAM : Mr. Speaker, Sir, in whatever field we see, the man from rural area, whether he is a peasant or some one else, is always lagging behind. The poor in the villages have no money to buy medicines but just now the hon. Minister has said that we have reduced the prices of drugs. I want to draw his attention towards the fact that the medicines supplied by the Government in the villages are procured through tender system and these medicines are of inferior quality. At the same time, it has also been observed that the tenderers buy these medicines at very low prices. If the medicines are purchased at low prices they are bound to be of inferior quality and as a result thereof, they are not going to produce any healthy effect on the patients. Shri Vengal Rao has been the chief Minister of Andhra Pradesh. I know he is a practical man and as such he will definitely try to provide benefit to the poor. I want to know whether his Ministry is considering any proposal under which better quality medicines could be supplied in the rural areas? If so, by what time these medicines will be supplied in the villages?

[English]

SHRI J. VENGAL RAO : I am also from a rural area just like Mr. Tulsiram. I know that some substandard drugs are being sold in that

area. We will punish them. As I submitted, very soon we are announcing the the new drug policy.

[Translation]

MR. SPEAKER : The trouble is that we are forgetting the indigenous system.

[English]

Foreign collaboration for manufacture of Motor Cycles

*309. **PROF. K.V. THOMAS :** Will the Minister of INDUSTRY be pleased to state:

(a) whether the Kerala Electrical and Allied Engineering Company Limited, Cochin has requested for giving sanction for a foreign collaboration approval for the manufacture of motor cycles; and

(b) if so, the decision of Government?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) Yes, Sir.

(b) : The proposal has been rejected. The representation made by the party against the rejection is being examined.

PROF. K.V. THOMAS : Sir, Kerala Electrical and Allied Company is a Kerala Government undertaking which is making a huge profit. There is another company Kerala Scooters which has been given the licence for the manufacture of motor cycles. But this company is now sick because it cannot get foreign collaboration. Part of the capacity has been transferred to Kerala Electrical and Allied Engineering Company Ltd. and then this company has negotiated with an Italian company for getting collaboration. After detailed negotiations KEL came to Government of India in March for getting the approval. Till today the Government of India has not taken a final decision. I would like to know on what basis their proposal has been rejected because the application has been given by a public sector undertaking

SHRI J. VENGAL RAO : We are not approving any foreign collaboration now. Already the approved capacity for scooters and mopeds in the country is much more. Our necessity upto Seventh Plan is only 18 lakh and by the end of this year we will be producing 13 lakh. That is why we are not allowing any foreign collaboration.