

In spite of our good relations with Iraq, the Minister of Iraq has expressed this kind of warning to us. What is the reaction of the Government thereto?

SHRI K. D. MALAVIYA: I have not seen any report as referred to by the hon. Member. Every country is entitled to export or carry on trade of crude oil either from one source or from two sources or from one source to another.

SARDAR SWARAN SINGH SOKHI: May I know from the hon. Minister what harm it could do if he disclosed the terms and conditions entered into with Iraq? Is he avoiding to reply the question because he is not ready with a proper answer?

SHRI K. D. MALAVIYA: I am informed that the hon. Member is a businessman. He carries on legitimate business for his own purposes. Obviously, he would not like his own business transactions to be discussed publicly. Whenever Government wants to enter into any deal with regard to such vital commodities, like crude oil, in the present context of the situation of pricing and all that, he will appreciate very much that when we negotiate for the purchase of crude oil, it is not always very useful or very good and purposeful to discuss in public all the conditions that might give us the benefit in purchase of crude oil.

MR. SPEAKER: Mr. Sokhi, you are not entitled to second question. But I can make an exception if you ask a question in which you are interested.

SARDAR SWARAN SINGH SOKHI: I am interested in this question.

May I know whether any investment has been made in Iraq, in oil industry and, if so, what amount of investment has been made and whether USA has threatened Iraq of military action in view of recent agreement with India? What is the reaction of the Government thereto?

अध्यक्ष महोदय : आप ने दूसरा सवाल कर ही दिया। मैं समझता था कि आप कुछ और बात के बारे में पूछेंगे।

श्री हुकम चन्द कछवाय : अध्यक्ष महोदय, मैं जानना चाहता था कि ईराक से जो बातचीत चल रही है तेल की तो कितना तेल लेने की बात चल रही है? और जो तेल हम को मिलेगा उस से हमारी आवश्यकता पूरी हो जायगी? जो ईराक को नाना प्रकार की चीजें भेजते हैं उन में बढ़ोतरी की उसने बात की है तब वह हम को तेल देने का वायदा करता है?

श्री के० डी० मालवीय : हमारा ईराक से जो लेनदेन है तिजारत में, वह बढ़ता जा रहा है और इस से माननीय सदस्यों को खुशी होनी चाहिए। हम कोशिश यह करते हैं कि हमें अपने मित्त देशों से ज्यादा से ज्यादा तेल मिले लेकिन जितना तेल इस समय हम को मिल रहा है ईराक से वह पर्याप्त नहीं है हमारे सारे कामों के लिए।

श्री अचल सिंह : क्या मंत्री महोदय यह बताएंगे कि ईराक से जो कंट्रैक्ट हुआ है, उस में मथुरा में जो रिफाइनरी खुल रही है उस के लिए तेल लिया जाएगा?

श्री के० डी० मालवीय : हमारी जो मथुरा में रिफाइनरी खुल रही है, उस में तो अभी कई वर्ष लगेंगे लेकिन अभी जो तेल मिलता है उस का जहाँ कहीं भी शोधन हो सकता है, हम करते हैं इसलिए कि तेल की देश में बहुत आवश्यकता है।

Guidelines for Drug Industry

*4. **SHRI P. M. MEHTA:** Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) the internal guidelines issued in 1973 for the growth of Indian pharmaceutical industry, foreign multinational giant sector and small scale sector:

(b) whether shortages of some of the brand names have been created with the help of these guidelines by the multinational giants operating in India; and

(c) if not, the particulars of each and every item for which the shortage is reported, whether there have been proposals for these items from Indian firms and the fate of these proposals approved, rejected with reasons for rejection?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI K. R. GANESH): (a) to (c). A statement is laid on the Table of the House. [Placed in Library. See No. LT-8882/75].

SHRI P. M. MEHTA: This is a long statement that he has given. There are established vested interests in this Ministry....

MR. SPEAKER: Please ask your question.

SHRI P. M. MEHTA: The statement is so long, Sir, that I want to seek clarification before I put my question.

There are vested interests in this Ministry; the Secretary and the Joint Secretary always favour foreign-dominated companies or the multi-national giant sector, and the Minister of this Ministry has failed, so far, to prevent the anti-national activities going on in his own Ministry.

The hon. Minister is aware of the position that small scale firms like Cadilla, Gujarat Pharmaceuticals, Unique and others who were in a position to afford a healthy competition to the foreign-dominated companies were allowed only five kg. of canalised raw materials; either they are not given industrial licences or they are given very small quantities of the canalised raw materials like Methyl dopa, Prenilemfectol, Cyprohetadine and Indomethazine, while the foreign com-

panies were given more than their installed capacity. This has been the grievance for a long time. Keeping this in view and the undue favour shown to the foreign-dominated companies, may I ask the hon. Minister whether Government will assure that they will introduce an element of competition so as to make drugs available at cheaper prices? Will Government allow the Indian drug-manufacturing firms to manufacture formulations which are at present produced by foreign firms based on imported raw materials, without any restrictions? I also want to know whether, with a view to reducing imports, Government would like to have a quick perusal of raw materials and intermediates imported by foreign firms and then ask them to manufacture these in the country and save foreign exchange for the country.

SHRI K. R. GANESH: I must contest the statement the hon. Member has made about certain officers in the Ministry. As the hon. Member himself knows about the growth of the drug industry in the country, due to certain historical reasons there is a foreign sector, a powerful sector no doubt and there is also the Indian and the public sector. Now, with a view to see that high quality drugs are produced and at cheaper prices, the Government has appointed a committee of which the House is aware, known as Hathi Committee which is comprehensively going into all the aspects of the drug industry. They have already completed their deliberations and the reports are getting ready and by April all their recommendations will be available. The Government will then have a quick processing of these reports and take decisions on them. Even now the policy of the Government is to encourage the Indian sector and to build up the public sector into a position so that it can play its role.

The hon. Member has asked certain specific questions. As far as the canalised items are concerned, more than 60 per cent of the items are canalised

through STC. I do not know the exact nature of the question he has asked about certain firms not being given their full requirements and certain others having been given more than what is required.

As far as the excess capacity is concerned, this question is being looked into by the Ministry and we have given this information earlier.

It is the intention of the Government to help the Indian sector grow and whatever impediments there may be in the growth of the Indian sector, they will be removed so that an integrated drug policy emerges and drugs are available at cheaper prices and also of high quality.

SHRI P. M. MEHTA: I would like to know from the hon. Minister whether it is a fact that the utilisation of imported raw materials by foreign firms is much more as compared to Indian firms; and

(b) whether it is also a fact that the prices at which STC imports bulk drugs and intermediates are substantially low as compared to the prices at which foreign firms were importing them previously

SHRI K. R. GANESH: As far as the canalised items are concerned, the actual requirements of a particular firm on the basis of their last year's figures are given and subsequently, they are also increased. I will look further into it if there are any discrepancies in this and also if it requires a certain review. It is a fact that certain drugs imported by some of the foreign firms have had a higher price than the drugs imported by the STC. That is why the policy of the Ministry is to see that the bulk of the drugs which are to be imported are canalised through STC.

SHRI N. K. SANGHI: May I know whether the IDPL and the STC have huge stocks of bulk drugs and the manufacturers are not lifting them?

What are the current stocks with them? Is that also one of the reasons for the increase in prices and shortage of the drugs?

SHRI K. R. GANESH: It is a fact that the IDPL and the STC have an inventory of Rs. 4 crores and Rs. 5 crores and some of the bulk drugs have not been lifted by some of the companies and they have been saying that due to the financial stringency and credit squeeze they have not been able to lift these bulk drugs. The Ministry held a meeting with the Banking Department and with these firms and has asked them to prepare a note on their requirements. But the question of credit squeeze is a part of the general position in the country and these firms have not yet specifically brought the difficulties to the notice of the Ministry or of the bank. It may also be correct that some of the shortages are due to the fact that some of the bulk drugs which are now available, may have been in short supply at that particular point of time.

श्री शशि भूषण : भारत में औषधि उद्योग में जो दवाएं बनती हैं उनकी कीमत विदेशी औषधि क्षेत्र में बनने वाली दवाओं की तुलना में सरकार के मंत्रालय द्वारा कम रखी गई है और ऐसी दवा में मैं जानना चाहता हूँ कि उनको विपणन सुविधा क्यों दी गई है ?

क्या यह भी सही है कि ब्राड नेम की वजह से भारतीय क्षेत्र में आई० डी० पी० एन० जो एनलजिन बनाता है उसमें नावलजिन की कीमत अधिक है ? यदि हाँ, तो ब्राड नेम समाप्त करने को दिशा में आप क्या कोई कदम उठा रहे हैं ?

SHRI K. R. GANESH: As far as the prices of certain drugs and formu-

lations are concerned, both in the Indian sector and in the foreign sector, it is a fact that when the drug prices were frozen in 1963, they were frozen at the level of these prices at that time. Therefore some of the prices of foreign firms might have been higher and the prices of some of the Indian firms might have been much lower. And now when they are coming for the revision of prices, the prices are being fixed on the basis of those prices which were fixed at that point of time. I agree with the hon. Member that the fixation of drug prices under the Drug Price Control Order also requires a second look. The Hathi Committee also is specifically going into the question. It is a fact that Novalgin is a formulation from basic Analgin. Analgin is produced by IDPL. The price of Novalgin is higher than Analgin. Novalgin is a formulation which is produced by a foreign majority concern and Analgin is produced by IDPL. This is an unusual situation. The Hathi Committee is going into it, whether Novalgin should be allowed to be marketed at higher price when Analgin is available and Analgin is basic drug from which the formulation of Novalgin is made, and whether the capacity of Analgin can be increased further. So, this is a matter which can be looked into.

And, regarding brand name, the Hathi Committee has gone into this question. A medical panel has made recommendation to the Hathi Committee for abolition of some brand names. This is engaging their attention. Regarding the other matters, when the full report of the Hathi Committee is available Government will look into it.

SHRI K. S. CHAVDA: Sir, as per guidelines for formulations given by the Joint Secretary of the Ministry of Petroleum and Chemicals, which have no approval of the D.G.T.D., D.G.H.S. and the Cabinet, they gave free hand to the foreign sector to form late drugs

from the imported raw materials and the Indian firms are not allowed to formulate if they do not produce the basic drugs and if they have got the annual turnover of more than Rs. 2 crores. May I know from the Minister whether he will reopen all the cases rejecting grant of Industrial Licences of the Indian firms under these guidelines and submit these points for review and favourable consideration before the Licensing Committee? Secondly, I want to know whether the Minister intends to give a free hand to Indian firms to formulate drugs from imported raw materials which are presently formulated by the foreign sector from the imported raw materials.

(c) May I know whether Government intends to take any action against those officials who have formulated these anti-national guidelines which have no approval of the D.G.T.D. and the Cabinet?

SHRI K. R. GANESHI: The internal guidelines about which the hon. Member is speaking are actually a sort of a working principle which the Ministry has adopted for its own internal working so that each case which is processed will not be processed in a different way and at least the processing will be based on certain guidelines which are there. These guidelines are not the last word because each of the applications which might have been processed according to guidelines has to be looked into according to the drug technology available, essentiality of the drug and the sector that is producing various things. So, if any changes are necessary as far as guidelines are concerned—I myself think that certain changes are necessary—those will be made. We are looking into it.

He has asked about the formulation which is being done on imported raw materials by the foreign sector which, he says, are not being given to the Indian sector. The basic fact is that the foreign sector has been engaged largely in the formulation of various drugs. If this country has to achieve

any breakthrough in drug production and develop indigenous technology, then it is necessary that the bulk drugs are produced in larger quantities than they are done today. The present position is that each sector is producing about one-third of the bulk drugs production. It is with this idea that the Ministry has thought that if the Indian sectors go in for the production of bulk drugs it will help the growth of the indigenous manufacture by the drug industries. I agree with the hon. Member that this requires to be looked into. The foreign sector does it in a long way in producing only the formulations. So that the Indian sector can get more surpluses; they should not be allowed more time. Apart from the bulk drug production they can do more formulations so that with the surpluses available the Indian sector can grow. Regarding the third question, we are looking into the various medicines that have been rejected to find out whether more emphasis and more incentive can be given to the Indian sector.

SHRI M. RAM GOPAL REDDY: The Minister said that some firms are not producing medicines on account of certain reasons. I want to know whether the wholesalers are making an effort not to allow the manufacture of medicines so that they may create an artificial scarcity in the market and whatever medicines are available they are sold at a very high price.

SHRI K. R. GANESH: I think I have already answered this question earlier.

SHRI M. RAM GOPAL REDDY: It is not clear. These medicines are sold at a very very high price. What steps the Government propose to take against those people? He has not answered this question.

SHRI K. R. GANESH: I have indicated in reply to another question by another hon. Member that it is a fact that some firms are not lifting the bulk drugs which are lying with the STC and the IDPL. May be some of them

are not doing this due to financial constraints. Maybe they are not lifting them because they want to create an artificial scarcity. The ministry has called these people and held a meeting and told them that if there are financial constraints, then we will develop the capacity elsewhere and we will ask the Indian sector or whichever sector is available to see that these drugs are produced.

SHRI S. M. BANERJEE: When the Patent Bill was discussed we had seen a tremendous influence exercised by these foreign drug companies and how they were trying to influence both politically and economically.

I would like to know from the hon. Minister whether Government proposes to take over the foreign drug firms in the larger interest of the country because these firms have already minted money at the cost of the nation? I would like to know whether after the Seminar in Delhi itself whether Government made up its mind to take over these firms to save people and also give them drugs at reasonable prices?

SHRI K. R. GANESH: There is no proposal at the moment with the Government for taking over the foreign sector firms. There has been a demand from the various public organisations to take them over but I would like to submit if cheap and high quality drugs are to be made available a look at the very structure of the drug industry is necessary. If the drug industry is based on profit motive then I think, it will not be possible to make available cheap drugs for the vast masses of people. It is a fact that more than 80 per cent of our people do not avail themselves of the benefit of drugs. Government will take into consideration this fact.

श्री हुकूम खन्ड कछबाय : इस समय औषधिशां उन के उत्पादन-मूल्य से 20 से 50 गुना अधिक पर बेची जाती हैं। क्या सरकार उन के बिक्री-मूल्य को कम करने

के लिए कोई विचार कर रही है ? मुख्य चार पांच दवाओं का उत्पादन-मूल्य और बिक्री-मूल्य क्या है ?

SHRI K. R. GANESH: The prices of drugs are fixed under the Drug Price Control Order which is processed by the BICP which is an expert body and all factors such as the increase in the raw-material cost, increase in the packaging costs are taken into consideration before those prices are fixed.

SHRI K. MALLANNA: In view of the guidelines issued in 1973 may I know from the hon. Minister whether the investment in the foreign sector decreased or increased? If so, to what extent and what is the foreign exchange involved in this?

SHRI K. R. GANESH. The internal guidelines which I mentioned have nothing to do with the growth of the foreign sector. Historically speaking the foreign drug industry has already grown in this country and is occupying a very important position and, as far as drugs are concerned, it is the intention of the Government to reduce this dominance and see that the public sector as well as the Indian sector grow.

Alternate Alignment on Kangra Valley Railway

*6. **PROF. NARAIN CHAND PARASHAR:** Will the Minister of RAILWAYS be pleased to state:

(a) the latest progress made with regard to the construction of the alternate alignment on Kangra Valley Railway; and

(b) whether any target has been fixed about the time by which the track would be opened to traffic?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI BUTA SINGH): (a) Overall progress

achieved on this project so far is about 70 per cent.

(b) The project is expected to be opened by 30-6-1976 subject to adequate funds being made available by the Beas Dam Authorities.

श्री० नारायण चन्द पराशर : थोमन, मैं आप के माध्यम से नये रेल मंत्री की अध्यक्षता में इम विभाग के पहले सचिवमैटरी प्रश्न का उत्तर चाहता हूँ। मैं जानना चाहता हूँ कि कांगडा वेली रेलवे की टारगेट डेट कितनी बार रिवाइज की गई है। मेरा खयाल है कि यह हर साल रिवाइज होती जा रही है। ललित बाबू ने यह आश्वासन दिया था कि यह रेलवे 31 दिसम्बर, 1975 तक गुडन ट्रेफिक के लिए खोली जायेगी और पैसेंजर ट्रेफिक के लिए 31 मार्च, 1976 तक खोली जायेगी। मंत्री महोदय ने इम टारगेट डेट को 30 जून, 1976 बनाया है, और इम तरह इस को तीन महीने और आगे बढ़ा दिया है। यह लाइन चार पांच माल में पाँच बाँध में डबी हुई है, इम का काम सम्पन्न हो चुका है और इस में शीघ्रता करने के लिए कोई पग नहीं उठाया जा रहा है। मंत्री महोदय ने फंडिंग की कमी की बात कही है। जहाँ तक कम्प्लेशन का सम्बन्ध है, मैं जानना चाहता हूँ कि रेलवे मंत्रालय ने कितनी बार इम मामले को मिनिसट्री आफ इरिगेशन एण्ड पावर के साथ टेक अप किया है और उस ने क्या जवाब दिया है। यदि मिनिसट्री आफ इरिगेशन एण्ड पावर की तरफ से कोई संतोषजनक उत्तर नहीं आता है, तो क्या मंत्री महोदय इस प्रश्न को प्राइम मिनिसटर को रेफर करने पर विचार करेंगे, ताकि इम इलाके को सफ़र न करना पड़े ?

SHRI BUTA SINGH: It is true that the target date has been postponed from time to time for various reasons