

की वजह से हो। मैं यह जानना चाहता हूँ कि रेलवे याइज या इजिन शेइज में कोयले की चोरियाँ होती हैं, क्या वे भी इस में सम्मिलित हैं, या वे चोरियाँ उस के अतिरिक्त हैं। अगर सब सम्मिलित है तो कोयले की कितनी चोरी हुई है? हम देखते हैं कि कोयला बहुत चोरी होता है।

श्री बूटा सिंह : जैसा मैंने उल्लेख किया है, इस में ज्यादातर राइम, क्रीट, शुगर हर्डी, मसूर की दाल तथा दूसरे अन्य पदार्थों की चोरी हुई है। इन के अलावा रेलवे प्रापर्टीज की भी चोरी हुई है जिस में यूटैन्सिज, मोटर साइकल्स, आदि शामिल है। कोयले की भी चोरी हुई है, लेकिन वह इस में शामिल नहीं है।

SHRI KRISHNA CHANDRA HALDER: In view of the reply given by the Minister I would like to know how many persons have been arrested up to 5-12-74? How many railway employees have been arrested till now?

श्री बूटा सिंह : धनवाद सैकशन पर 25 आदमी एरेस्ट हुए हैं, जिन में से 8 का चालान हो चुका है। धनवाद सैकशन में रेलवे एम्पलाई कोई इन्वाल्ड नहीं है।

श्रीमती सहोबरा बाई राय : मैं माननीय मंत्री जी से पूछना चाहती हूँ—जो चोरियाँ होती हैं इन में रेलवे बर्गचारी है या बाहर के पब्लिक के आदमी है?

सम्पत्त सहोबय : सभी बतलाया गया है

श्री बूटा सिंह : जैसा मैंने अर्ज किया है—अधिकतर बाहर के लोग होते हैं, लेकिन किसी केस में रेलवे एम्पलाई भी होते हैं, उन के खिलाफ भी कार्यवाही होती है।

Increasing prices of Medicines by Drug Companies

*394. SHRI BIREN DUTTA: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether the drug companies are going to further increase the prices of drugs and medicines; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI K. R. GANESH): (a) and (b) A statement is laid on the Table of the House.

Statement

Revision of prices of drugs is regulated under the Drugs (Prices Control) Order, 1970 which provides a mechanism for the same. Consequent upon the petroleum crisis during the second half of 1973-74, prices of chemicals including bulk drugs have increased. As a result, a large number of applications seeking upward revision in the prices of their products have been received from the drug manufacturers.

In the case of bulk drugs, the manufacturers have asked for price increase on account of various elements of cost of production, e.g., raw materials, fuel, power, wages, working capital, capital investment, etc. In the case of formulations, applicants have asked for price increases on account of increase in the price of bulk drugs, raw materials and packing materials.

With effect from 1-1-1974, the work of screening applications for fixation/revision of prices of drugs has been entrusted to the Bureau of Industrial Costs and Prices. When Drugs (Prices Control) Order, 1970 was implemented with effect from 18-5-1970, prices of 17 essential bulk drugs were fixed on the basis of cost investigation by the Tariff Commission and of others were frozen. Prices of another

23 bulk drugs and Gelatine Capsules were fixed on the basis of a cost investigation by a Working Group under the Chairman of B.I.C.P. A statement in this regard was laid on the Table of the House on 19-4-1974. The prices of bulk drugs are fixed after cost investigation by BICP or the Cost Accounts Branch of the Ministry of Finance.

Interim price revision for bulk drugs are being allowed to the extent of increases in the costs of major raw materials only. In case of prices of formulations, the increases are allowed to neutralise the increased cost of bulk drugs, raw materials and packing materials.

Government have appointed a Committee on Drugs and Pharmaceuticals Industry headed by Shri Jaisukhlal Hathi to examine various aspects of the industry and its terms of reference, *inter alia*, include:—

- (i) To examine the measures taken so far to reduce the prices of drugs for the consumer, and to recommend such further measures as may be necessary to rationalise the prices of basic drugs and formulations.
- (ii) To recommend measures for providing essential drugs and common house-hold remedies to the general public, especially in the rural areas.

SHRI BIREN DUTTA: In view of the fact that these companies are making huge profits because of their monopoly position may I know whether Government is considering to take over the industries in the interest of general public as is recommended in the statement itself, and give the drugs at cheaper prices?

SHRI K. R. GANESH: The question of fixation of drug prices etc. is determined under the Drug Prices Control order issued under Essential Commodities Act and as a result of

these the prices of certain drugs have been fixed from time to time. Now, Sir, the hon. Member asked one question, a basic question, whether in view of the fact that prices are increasing, the Government will take over the basic drug concerns. The Hathi Committee is going into the entire structure of the drug industry and various other matters about the supply of cheap drugs to consumers and when this report comes Government will give due consideration.

SHRI BHAGWAT JHA AZAD. I find from the report that Government in some cases are going to allow the interim increase in relation to cost of production. May I know whether drug industry is charging for the same drug compared with continents in Europe eight times to eight thousand times for the same drug in this country? I want to know whether it is a fact that American consumers have gone to court against these high prices. Do the Government propose to grant increase in prices in view of the fact that they have made huge profits at the cost of poor people in this country? How do you justify this cost structure?

SHRI K. R. GANESH: The mechanism is provided by Drug Price Control Order. The BICP goes into the cost of some of the drugs. The prices of 40 bulk drugs which have increased from 1970 onwards have been only as a result of the Tariff Commission's recommendations for 17 drugs and for 23 other drugs taking into account the escalation of the cost of raw materials and various other factors. I agree with the hon. Member that the drug industry has been a high-profit-making industry. It is a fact which is known to the House and outside also. As I indicated earlier, the Hathi Committee is going into this question. One of the terms of reference has been how to provide cheap drugs to the consumers and to review whether the present position about cheap drugs has been satisfactory or not. I would only mention that there

are two aspects of this question. One is that, as a result of increase in petrol prices and various other things, there has been an escalation in the prices of various inputs that go into the making of the drugs—intermediates, etc. The second aspect is that at least basic drugs have to be available to the common people at cheap prices because otherwise the masses cannot purchase them. Therefore, a view will have to be taken on this. That is why, as I have indicated earlier, a high-powered committee is going into this.

SHRI RAJA KULKARNI: May I know, during the last one year, out of 26 basic drugs, prices of how many basic drugs have been increased and what piecemeal attempts are being made to increase the prices, one by one, of these basic drugs instead of fixing up a uniform formula for all the basic drugs as such? Does not the Ministry feel that the Drug Price Control Order of 1970, on the basis of which these prices are being fixed, has itself become outdated and a complete review is needed to check the profits that are being made there?

SHRI K. R. GANESH: As I have indicated earlier, prices of 17 bulk drugs were revised in 1970 as a result of the Tariff Commission's recommendations. Later on prices of 23 bulk drugs were revised, in April 1974, and a statement was laid on the Table of the House. The hon. Member has asked whether the Drug Price Control Order has not become obsolete. As I have indicated, the Hathi Committee is going into all these questions, the question of status of the industry, the question of availability of cheap drugs to the people, etc. On the basis of their recommendations, the whole question can again be considered.

SHRI P. G. MAVALANKAR: The hon. Minister's answer, as far as it goes, is somewhat satisfactory. But he has not answered part (b) of the

main question. In the whole statement, there is no answer to part (b) of the question, namely, 'if so, the reaction of the Government thereto'. The increase in prices of drugs and medicines has been a very irritating subject. What is the Government's reaction to that particular irritation? I would like, from that point of view to know whether the Drugs Price Control Order, 1970, and the guidelines which, I suppose, are based on that order have any legal sanction. Secondly, in view of the fact that 80 per cent of the drugs manufacture is done by the foreign agencies and they are repatriating their profits to their countries, is Government not considering, as part of Government's reaction, nationalising the whole thing and letting the foreign agencies go out of business so that the Indian agencies are given a chance to operate in a more rational and just manner?

SHRI K R GANESH: The Drug Price Control Order was issued under the Essential Commodities Act and was placed on the Table of the House. The main question that the hon. Member has put is whether, in view of the structure of the drug industry, the prices that are charged are justifiable or not. There are two aspects to this question and I would try to answer. One is that there has been escalation of costs of various inputs as a result of general escalation in the world economy and also as a result, directly, of the increase in fuel prices. That is one aspect.

The other aspect is that these industries are high-profit making industries. There is no doubt about it...

SHRI BHAGWAT JHA AZAD: That is the important point.

SHRI K. R. GANESH: As I indicated, a view will have to be taken

(a) to see that production does not suffer as a result of the prices becoming unremunerative; and

(b) that in a country like ours certain drugs which are absolutely essential have to be produced in a manner that they are available to the vast masses of people at constant and reasonable prices as far as possible. Since a high-power committee is going into this question and its report is to be available by February 1975, the

Government will await its recommendations

SHRI BHAGWAT JHA AZAD Have you asked them about the profits?

SHRI K. R. GANESH: It is also there I can tell you the terms of reference if you like. So, the Government will await the recommendations of the committee to formulate an integrated view of the whole question

SHRI N. K. P. SALVE: May I know from the hon. Minister whether it is a fact that a company run by a monopoly house and engaged in the manufacture of vitamin C which is a drug in short supply in the world market is already making fabulous profits whereas a new company in which small entrepreneurs are involved and in which the public are substantially interested is being denied even their cost price. What is the Government's reaction to the suggestion that the prices of the monopoly house should be reduced and only reasonable profits allowed to them, the other small unit be given the same margin of profits and the prices of the two be averaged instead of the overall prices being increased.

SHRI K. R. GANESH: This particular question the hon. Member has referred to has been remitted to the Bureau of Industrial Costs and Prices for examination.

SHRI N. K. P. SALVE: What prevents the Minister to give an assurance? This is a clear matter. I would request Mr. Malaviya. In this matter a monopoly house is making a fantastic amount of profits. Why

not the two prices be averaged and the price fixed? I want an assurance. A person like Mr. Malaviya who has professional expertise in the Ministry ought to give us some assurance in the matter. Further, this is a policy matter.

SHRI BHAGWAT JHA AZAD: Whose interests do you want to serve? We want to understand

MR. SPEAKER: Let them think over the assurance

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI K. D. MALAVIYA) As my colleague has answered this question in a general way, we are very eagerly waiting for the report of Mr. Hathi whom I have requested to expedite as far as possible because mostly all the questions have been referred to them and complicated though they may be, it is our determination to take a view which is consistent with the wishes and aspirations of the House.

So far as Mr. Salve's question is concerned, that was also referred to the committee and we shall see to it that the price of Vitamin C is not charged high by the monopoly house referred to by him and that a suitable solution is found out with regard to fixing an averaged price.

PROF. MADHU DANDAVATE: An assurance to the Congress members.

SHRIMATI ROZA DESHPANDE: I would like to know from the Minister whether the monopoly houses in our country want a price rise for their drugs and, in order to get it, in many of the drugs they have decreased the production of very important drugs. If so, I want to know whether the Government is thinking of producing such drugs in the public sector by diversifying a bit their own production.

Secondly, anti biotics are very important products, I would like to know from the Minister what is the present production of anti biotics in the pub-

lic sector and whether the production capacity of the plant is fully utilised or not.

SHRI K. R. GANESH: It is a fact that as a result of asking for increase in prices which has got to be properly processed by the Bureau of Industrial Costs and Prices there is a tendency to hold or decrease production. As regards the other question whether the public sector will take over production of some of these drugs, the public sector is producing a number of drugs and during the fifth Five Year Plan period an investment of Rs. 70 crores has been provided for the expansion of the public sector so that it can take up some new products and play its own role in seeing that proper drugs at proper prices are available.

As far as antibiotics are concerned the public sector does produce a very large quantity but the total production in the country is not sufficient and we have to resort to import. As far as capacity utilisation is concerned there have been certain constraints and problems in IDPL and steps have been taken to further improve these strains and experiments are going on and in the next six months or so the capacity of IDPL will further improve.

SHRI VASANT SATHE: One of the constraints bringing about rise in production and thus having a check on prices has been the production of bulk drugs. Unfortunately, majority of bulk drugs today are produced in the public sector and majority of the multi-national foreign companies produce mainly formulations and not bulk drugs and thus they exploit. Is it a fact that the management of IDPL, in spite of an agreement of settled industrial relations, is refusing to accept the recommendations even of the Ministry—both his predecessor and the present Ministry? What action are you going to take against the management?

SHRI K. R. GANESH: As far as production of bulk drugs is concerned the hon. Member has more facts than me because of being a Member of the Hathi Committee. The information I have got is that it is 33 per cent as far as three sectors are concerned—the foreign sector, the Indian sector and the public sector. It is a fact that majority of the foreign concerns as well as many other concerns are concentrating on formulations which give them good profits. As far as the question of achieving self-sufficiency in the country is concerned, it is necessary to maximise production of bulk drugs which is basic for every thing. Hathi Committee has applied its mind on this particular question and their recommendations will be available soon. Already certain steps have been taken and the foreign concerns are not given licences unless they produce their bulk drugs. He has referred to a particular industrial problem of IDPL. I am required to make a statement in response to Shrimati Parvathi Krishanan's question. There has been some problem and I can assure the hon. Members that I am trying to sort it out.

Cut in Outlay for New Railway Lines during Fifth Five Year Plan



*396. SHRI D. B. CHANDRA
GOWDA:

SHRI GAJADHAR MAJHI:

Will the Minister of RAILWAYS be pleased to state:

(a) whether Government propose to cut the outlay earmarked in the Fifth Five Year Plan for the construction of new railway lines; and

(b) if so, the salient features thereof?

THE MINISTER OF STATE IN THE
MINISTRY OF RAILWAYS (MOHD.
SHAFI QURESHI): (a) No, Sir.

(b) Does not arise.