

LOK SABHA

Monday, August 31, 1970/Bhadra 9, 1892
(Saka)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

*691. SUPPLEMENTARIES ON QUESTION ORIGINALLY ANSWERED ON 10TH AUGUST, 1970 UNDER S.Q. NO. 303† AND HELD OVER BY THE CHAIR FOR FURTHER SUPPLEMENTARIES

SHRI S. KUNDU: I would like to know from the hon. Minister whether it is true that compared to the landed cost of some of the

medicines the pool price and the price fixed by IDPL, which is a public sector organisation, is seven times higher. Just to give an instance, the landed cost of tetracycline is Rs. 256, the IDPL price is Rs. 1,100 and the pool price is Rs. 650. What is the reason for it?

Secondly, is it a fact that after you issued the notification controlling drug prices some time in May you have changed it 25 times by now? You and your officers are charged with serious neglect of duty. By such casual and routine attitude to such notifications you have effected the shooting price rise of drugs. Have you inquired into it?

THE MINISTER OF PETROLEUM AND CHEMICALS AND MINES AND METALS (DR. TRIGUNA SEN): The cost of pro-

† Text S. Q. No. 303 dated 10-8-70 and answer thereto:

[Import of Vital Drugs

*303. SHRI A. K. GOPALAN:
SHRI MOHAMMAD ISMAIL:
SHRI K. ANIRUDHAN:
SHRIMATI SUSEELA GOPALAN:
SHRI P. GOPALAN:

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state:

(a) whether it is a fact that Government are considering to import vital drugs owing to the threat by drug manufacturers regarding the new formula evolved by Government in fixing prices of drugs;

(b) if so, the details thereof;

(c) whether Government have appointed an official team to prepare a report in regard to the import of drugs from abroad; and

(d) if so, whom the report is likely to be submitted?

THE MINISTER OF PETROLEUM AND CHEMICALS AND MINES AND METALS (DR. TRIGUNA SEN): (a) to (d). The country is not yet self-sufficient in so far as (contd.)

duction of tetracycline in IDPL is Rs. 820; the cost of production of the same drug by Pfizer is Rs. 718.14 and by Syntibiotics Rs. 740.67. The pool price that has been fixed is Rs. 650. The landed c.i.f. price is Rs. 352.

About the second question, I deny that the control order was ill conceived. It was well conceived and well designed to achieve the policy objectives. It was amended four times but the hon. House should understand that it is for the first time that somebody is trying to reduce the cost of drugs. There are about 2,000 units in the large, medium and small-scale sectors; there are about 6,000 formulations, about 70,000 retailers and so many vested interests. The hon. House should realise that it is a very complex problem to try to reduce prices. So, it was not that it was ill-conceived. It was well conceived and, I am sure, we will achieve the goal. It was, surely, amended four times and may require to be amended further.

SHRI SRADHAKAR SUPAKAR: Today there is a news item that certain drug firms are being asked to show cause why action should not be taken against them for racketeering. I just want to know whether Government has kept any account of the excess profit on account of raising of prices by these firms between 15th May and to date.

DR. TRIGUNA SEN: As you know it also came out in the paper that out of 2550 products, large and medium scale, the prices of 1,102 products have come down appreciably. It is very interesting that of the total national bill on drugs, one-fourth of them belong to the broad spectrum of anti-biotics

and they have been slashed to 50%. The prices of about 424 drugs were increased, of which 114 household remedies, I am sorry, were also there, for which the common man had to suffer for about 20 days. We have not calculated but on a rough estimate we made, it comes to about Rs. 62 lakhs.

SHRI UMANATH: From the answer I find that the Government have decided to import certain drugs mentioned in the answer paper through the STC. I would like to know from the Minister whether the import of these drugs will help the consumers here apart from the availability in so far as prices also and whether the prices will be lesser than the prices when they were being imported through private agencies. If so, to what extent will it be favourable to the consumers here if they are imported through STC?

DR. TRIGUNA SEN: It is the national policy of any government to produce basic drugs in the country itself as far as possible and stop imports. But, as is known, the cost of indigenous production is higher than the cost of imported drugs. But, unfortunately, we are not producing the drugs in sufficient number in the country. So we have to import. While importing we are thinking of canalising them through STC for the simple reason that when the private trade imported this, they got them at a cheaper price than the price to those to whom we supplied the indigenous manufactured products. The result is that the big houses have got the benefit whereas the indigenous industries, small and medium scale, have suffered. We have made a pool price for all the manufacturers.

(contd.)

production of bulk drugs is concerned. Certain bulk drugs which are either not produced or are not produced in sufficient quantities to meet the demand, are imported. At an inter-ministerial meeting held recently to consider the follow-up action on the (Drugs Prices Control) Order, 1970, it was decided inter alia that a quick assessment should be made of the bulk drugs likely to be in short supply and the extent to which they may be in short supply, so that arrangements for import thereof could be made at short notice. As a result of the assessment made, arrangements have been made for import through STC, of certain bulk drugs viz. vitamin C. Sulphadiazine, sulphadimidine, chloromphenicol etc. to the extent necessary. The drugs industry has not held out any threat of the kind referred to. Although some sections of the industry did express the apprehension that Government's policy of price control of drugs may lead to shortages of bulk drugs, after the issue of the Drugs (Price Control) Order and discussions with the industry, the industry have assured Government that they would extend the necessary cooperation to Government to ensure that shortages of essential drugs do not develop.]

श्री अचल सिंह: मैं मंत्री महोदय से जानना चाहता हूँ कि जिन ड्रग्स की कीमतें घट गई हैं क्या उनकी प्राइस लिस्ट बेचने वालों की दुकानों पर एवलेबिल होगी ?

DR. TRIGUNA SEN: By this amending order, the prices of drugs have been reduced and my colleague, the Minister of Health, under whom is the Drug Controller and the whole machinery, is very active to see that this is made available.

श्री हुकम चन्द कछवाय: अध्यक्ष महोदय, मैं आपके माध्यम से जानना चाहता हूँ कि अभी प्रश्न के उत्तर में मंत्री महोदय ने बताया कि कीमतें कम करने का मामला बहुत जटिल है और इस जटिलता को ध्यान में रखते हुए क्या यह बात सही है कि कुछ दिन पहले आपने सारे उत्पादनकर्ताओं को निमन्त्रण दिया था कि उनसे चर्चा करने के बाद ही, इसमें क्या कर सकते हैं उस पर निर्णय लेकर घोषणा करने वाले थे परन्तु बिना कोई चर्चा किए ही आपके मंत्रालय से पहले ही घोषणा हो गई और वे बिना चर्चा किए ही वापिस चले गए ? यदि यह सही है तो वे किस कारण रुष्ट होकर चले गए और बिना चर्चा किए ही सारी बातें समाचार-पत्रों में आ गई, उसका क्या कारण है, इसकी आप जांच करेंगे ?

DR. TRIGUNA SEN: यह बात सही नहीं है। From February to April we had lots of discussion with them and after discussing with them in several meetings we came to the conclusion and issued the Drug Prices Control Order.

श्री शिव नारायण: अध्यक्ष महोदय, अभी शनिवार को हम लोगों ने बड़ी मुस्तेदी के साथ पेटेन्ट बिल को पास किया। मैं जानना चाहता हूँ कि इस गरीब मूलक के लोगों के जीवन की रक्षा को ध्यान में रखकर जो दवाइयाँ फारेन से आ रही हैं या जो देश में ही बन रही हैं उनका ठीक से प्रोत्साहन बना कर क्या मंत्री महोदय एक

महीने के अन्दर उनकी प्राइस फिक्स कर देंगे ?

DR. TRIGUNA SEN: That is the objective of the price control order. I can assure the hon. Member that since we have taken it up, we will see it through.

SHRI LOBO PRABHU: The public is concerned first with the proper price, and secondly with sufficient availability. This is not a matter entirely for duty control of the manufacturers, but. . .

SHRIMATI JAYABEN SHAH: Quality also.

SHRI LOBO PRABHU: Quality is a different matter.

This is not a matter of control only of the manufacturers but it is a matter of control of the retailers. It has been found that the retailers have been sometimes going much further than the manufacturers in prices and in their attempts to suppress the quantities available. My question, therefore, is this. Will Government set up in every considerable town a public sector or a co-operative shop for making drugs available at the proper prices and in sufficient quantities ?

DR. TRIGUNA SEN: First of all, there are about 70,000 retailers in the whole country. They are carrying on the business, and we do not like to disturb the private sector that is being defended often by the hon. Member. . .

SHRI LOBO PRABHU: I want a good one; I do not want a bad private sector. . .

SHRI RANGA: We want them to compete with each other.

DR. TRIGUNA SEN: At the same time, to supplement that, my colleague the Minister of Health is also considering to have drugs shops in the hospitals so that the drugs may be available to the public at a cheaper cost.

SHRI P. GOPALAN: I would like to know from the hon. Minister whether it has been brought to the notice of Government that some of the drug firms by giving some

fancy patent names to many of the commonly used medicines are charging extraordinarily high prices. For example, Glaxos manufacture Fersolate, the ingredient of which is pure ferrous sulphate, and that is sold at a price of Rs. 190 for every hundred tablets whereas SKF manufacture Fessophor, which is a fancy patent name given to the same medicine, the ingredient of which is ferrous sulphate and sell it at a price of Rs. 660 for 10 capsules. I would like to know from the hon. Minister how Government are going to check this practice of charging extraordinarily high prices by giving these fancy names.

DR. TRIGUNA SEN: Fundamentally speaking, we ought to have taken this foreign collaboration to manufacture basic drugs, but in course of time, unfortunately we allowed them to go into formulations, which ought to have been reserved for the Indian medium-scale and small-scale sector. They have gone into formulations, and what my hon. friend has stated is correct. Now, for each formulation we are calculating the cost of production and then we shall fix the price. We are taking special care to see that they cannot make any more or any further profit in this.

Appointment of I.A.S. Personnel in Public Sector

*692. **SHRI S. M. KRISHNA:**
SHRI D. N. PATODIA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have planned to draft I.A.S. personnel for appointments at intermediate levels in the public sector;

(b) if so, the details of the scheme; and

(c) when Government propose to introduce the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA): (a) to (c). The possibilities of evolving a scheme intended to depute officers from Class I Services (including IAS) at comparatively junior levels to work in and gain experience of Public Enterprises are currently being examined. The scheme is intended to give training to certain number of Government ser-

vants in public enterprise type of work with three objects in view:

- (i) such training will help the Government servants to understand and deal with public sector problems better when they come back to Government;
- (ii) some of these Government servants who prove successful during such training can be permanently absorbed in Public Enterprises provided they are willing to be so absorbed. It is felt that such strengthening at the intermediate levels in Public Enterprises will be beneficial to them;
- (iii) such Government servants who have been trained in public sector work can be sent to new Public Enterprises that will be established during the Fourth and Fifth Plan periods.

A final decision on this is yet to be taken.

SHRI S. M. KRISHNA: 700 or so of IAS officers are working in various capacities in the public sector undertakings in the country. The Government's attitude seems to be to perpetuate these IAS officers in the various public sector undertakings in spite of the fact that they have very many shortcomings. There is before Government a decision to give a time limit to these IAS officers who have been working in public undertakings, to give them the option either to remain in the public undertakings or to revert back to their IAS cadre. I would like to know from the Government, why is it that the Government did not stick to the deadline once having made the decision?

SHRI VIDYA CHARAN SHUKLA: It is not a fact that we want to perpetuate the dominance or deputation of IAS or civil service officers to the public undertakings. That is not our intention at all. As the hon. Member mentioned, Government itself devised a scheme to stop this dominance or this kind of continuation of deputationists in the public sector undertakings. A time limit was prescribed for those who are serving in various public enterprises to indicate their preference either to get absorbed permanently in the public undertakings they were serving or come back to their respective cadres. The time limit had to be extended on the representations that were made by those officers that the time given to them was not sufficient.