not, however, prepared to consider such a proposal although a meeting has now been arranged for 14 April between the Central trade union and the Department of the Environment. A shadow board is to be set up on behalf of the prospective private company to explore the viability of the enterprise and to prepare employees for privatization — the target being 1 September 1981.

Sara Nash

Europe's directive on drugs

Lords back industry

Proposals from the European Commission to make it easier for entrepreneurs to buy drugs in one country of the European Community and sell them at a profit in another have met with strong opposition. The UK pharmaceutical industry and the House of Lords Select Committee on the European Communities

are at one in condemning the idea as unfair to the companies and unlikely to improve the health services in member states.

The opportunity for this "parallel importing" arises because at the moment price controls for drugs are widely different in the various member states. The European Court of Justice ruled that attempts by big pharmaceutical companies to stop parallel importing were restrictive and in breach of the Treaty of Rome.

Drug manufacturers and importers must obtain marketing authorization from national health services. To make things easier for the parallel importer in the name of free trade, the commission's directive requires the original manufacturer to make available to the importer any necessary documents relating to the specification of the batch of drug being re-sold. This type of freedom of information is anathema to drug companies which may have spent thousands of pounds in obtaining the information in the first place.

In putting the case for the industry, the Association of the British Pharmaceutical Industry (ABPI) argued that moves to bring down the general level of drug prices would not be in the long-term interest of the consumer. And the practice of parallel importing raises problems because importers may change the name and packaging of the drug, with risks that the consumer might not get the correct information about the product.

In the United Kingdom the pricing structure for drugs has kept prices relatively low. In the past few years companies have been allowed to increase prices in line with inflation but for some time "product licences" were given on condition that price increases were kept at about half that rate. As always the industry is keen to stress how expensive it is to develop new drugs and that this should be considered in pricing. So the prospect that the low-price UK market might be opened up to bulk buyers wanting to sell in countries where UK manufacturers are allowed to sell at higher prices is seen as a cause for alarm by both ABPI and the Lords Committee.

The United Kingdom is the most successful exporter in the Community, and last year the British pharmaceutical industry achieved a record £522.9 million surplus of exports over drug imports despite the problems caused by a strong pound. The Lords report sees little reason to jeopardize the well-being of a healthy industry only to give more profits to the middle-men.

The general question of bringing prices into line across the European Community will need more thought than a simple attempt to promote free trade. Both continental and UK manufacturers would favour a uniform system that is subtle enough to take account of both national and international pressures on the companies, and the particular needs and preferences of health services in the member states.

Charles Wenz

Opening up Siberia

Research in steppes

More than 400 scientific research institutes are to be involved in the Soviet Union's new "Siberia" programme which is part of a plan to give this relatively backward area an economic growth rate 30 per cent higher than that of the rest of the country.

Projects will concentrate on the energy sector, according to Academician Valentin Kaptug, chairman of the Siberian section of the Soviet Academy, with "work of world class" on methods of obtaining synthetic liquid fuel from coal and natural gas. The Baikal-Amur Mainline railway has opened up a new zone for potential development and much of the investment will be in that area. Later more industrialization will take place around the Arctic coast, and in zones around new water resources created by the diversion southward of water from the Siberian rivers.

A food development programme includes proposals from 27 biological and research institutes for the development of new varieties of crops and livestock adapted to Siberian conditions.

Siberia, here we come

"hormonal" methods for increasing crop yields, and pest control methods aimed at leaving minimum toxic residues.

Siberia already produces 50 per cent of the oil and 33 per cent of the natural gas extracted in the Soviet Union. The extraction of fossil fuels in Siberia is expected to go on increasing up to the end of the century, so not surprisingly the new "Siberia" programme also contains work on new prospecting and surveying methods, industrial catalysts and forestry management.

Any practical benefits obtained through the new research programme will be concentrated around "technical production complexes" linking several scores of industrial enterprises. One such complex has already been established, based on the giant power stations on the Angara and Yenisei rivers.

Vera Rich

Tangled policy on drugs

Brussels

The European Court of Justice ruled in 1976 that Hoffman-La Roche were impeding free trade in refusing to give product information to parallel importers. The Italian company Centrafarm had been buying Valium in the United Kingdom and repackaging it for resale under the trivial (not registered) name "diazepam".

The latest proposals from the European Commission are another attempt to limit the monopoly power of large drug companies. Opposition to the Commission comes from most members states, and the European Proprietary Association, representing pharmaceutical companies producing drugs for general sale rather than medical prescription, spoke against the proposals at the Lords committee.

Germany, Italy and the Netherlands are considered high-price countries — on several occasions the European Commission has caught out Italy for supporting unrealistically high prices and court actions have brought down prices in Italy by about 20 per cent.

One effort by the Commission to simplify procedures was the Committee for Proprietary Medicinal Products set up five years ago. The committee can be called upon if a producer wants to put a product on the market in at least six member states, or if there are disparities in the judgements of national licensing authorities. But since it was set up the committee has examined only eight cases.

The adverse comments from the House of Lords seem certain to put another nail in the coffin of the Commission's proposal which has already been languishing for a year in Coreper, the committee of the member states' permanent representatives to the European Community.

Jasper Becker