

- (a) whether the India and Israel has signed any economic cooperation agreements;
- (b) if so, the details thereof;
- (c) whether the Israel Government has offered credit facilities to the Exim Bank of India for export of capital goods from Israel of India;
- (d) if so, the details thereof;
- (e) whether the two Governments had detailed discussions to review economic relations; and
- (f) if so, the details of issues discussed and the outcome thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) to (f) During the visit of H.E.Mr. Avraham B. Shochat, Hon'ble Minister of Finance, Israel to India from 26-30th January, 1996 on the invitation of Finance Minister, various matters of bilateral importance were discussed and decisions taken. Among them besides agreeing to assist Joint Ventures in both countries in several areas and deliberating a Israeli offer of credit of US \$ 100 million to EXIM Bank and EXIM Bank's reciprocal credit of US \$ 25 million for promoting exports of capital goods by each other, the following three agreements were signed :

*Agreement on Bilateral Investment Promotion* to give fair and equitable treatment for full protection and security to investments from both countries.

*Customs Cooperation Agreement* to facilitate proper application of customs law and prevention, investigation and combating of customs offences between two countries.

*Agreement for Avoidance of Double Taxation & the prevention of fiscal evasion* with respect to taxes on incomes and on capital.

#### Bungling in Export and Import

496. SHRI HARI KISHORE SINGH :  
SHRI SURENDRA PAL PATHAK :

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government are aware that hawala racketeers are growing in this country;
- (b) whether the attention of the Government has also been drawn to the news-item captioned "Ek Hawala Aayat-Niryat Mein Bhi Jismein Karoroh Rupaye Ka Varan-Nyara" appeared in 'Jansatta' dated January 27, 1996; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE. (SHRI M.V. CHANDRASEKHARA MURTHY) :  
(a) The Government are seized of the problem.

(b) Yes, Sir.

(c) 99 cases of over-invoicing have been reported

during the year 1994-95 and 1995-96 (upto September, 1995). Declared value of export goods in these cases is Rs.3184 lakhs approximately as against accepted/estimated value of Rs. 940 lakhs (approx.).

[Translation]

#### AI and IA Passes

497. SHRI RAM TAHAL CHOUDHARY : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) the details of Passes issued by Air India and Indian Airlines during the years 1993 to 1995 and the cost incurred thereon including the Passes issued for inaugural flights separately;

(b) the expenditure incurred on the hospitality during the above period; and

(c) the criteria laid down to issue such Passes ?

THE MINISTER OF CIVIL AVIATION AND TOURISM AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : (a) and (b) The details of free passes and inaugural passes issued by Air India and Indian Airlines during the years 1993 to 1995 and the expenditure incurred on the hospitality for inaugural invitees is given in the statement attached.

No cost is incurred on the free passes as free pass holders are generally accommodated only after accommodating revenue paying passengers.

(c) Air India and Indian Airlines issue free passes to various categories of persons, in the overall commercial and business interest. The powers to issue these passes are vested in the Managing Directors of both the companies. Managing Director, Air India has delegated these powers to certain Heads of Departments, including Commercial Director who has in turn sub-delegated the same through Regional Departmental Heads in the Headquarters and Regional Directors are authorised to grant free passes.

#### STATEMENT

*Details of Free Passes issued by Air India and Indian Airline during the Year 1993 to 1995 including the Passes for Inaugural Flights*

(1) FREE PASSES ISSUED BY AIR INDIA	
1992/93	529
1993/94	642
1994/95	938
April-November, 95	547

Air India has incurred the following costs on inaugural invitees :-

(i) Introduction of B747-400 Aircraft	Date	No. of invitees	Total Cost
BOM/DEL/BOM	13/14 Aug.93	162	2,52,208
<b>(II) NEW SERVICES</b>			
<b>TRV/SIN/TRV</b>			
BLR/SIN/BLR	Between 1 Jan. and 1 Feb., 1995	58	
MAA/LON/MAA	Between 17 Jan. and 12 Feb., 1995	54	
Total cost of all three new services			37,31,546

**(2) FREE/ INAUGURAL PASSES ISSUED BY INDIAN AIRLINES**

Year	For Inaugural Flight	Other Than Inaugural Flight	Cost on Free Passes on Inaugural Flight
1993	11	887	1,50,000
1994	32	1646	8,74,000
1995	22	1878	4,05,000
Total	65	4411	14,29,000

[English]

**Tobacco Cultivation**

498. PROF UMMAREDDY VENKATESWARLU : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have given any assurance to the tobacco growers that Government will not curb or reduce the tobacco cultivation;

(b) if so, the details thereof;

(c) whether the Government propose to encourage tobacco farmers to continue their tobacco cultivation; and

(d) if so, the steps proposed to be taken to protect the traditional foreign exchange earning crops like tobacco?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) and (b) There is no proposal under consideration of Government for curbing or reducing tobacco cultivation.

(c) and (d) With a view to help tobacco farmers to enhance quality and yield of tobacco, Tobacco Board implements developmental and extension schemes which include supply of seeds/seedlings of high yielding and disease resistant varieties of FCV/Burley tobacco, training and exposure of farmers to the latest research findings, pest and disease control through fumigation of nurseries, subsidising use of sprinkler irrigation system and improving curing and storing facilities.

Some of the steps taken to enhance exports of

tobacco and tobacco products include, re-orientation of production of tobacco to meet the changing international needs, monitoring and control of pesticide residues, aligning grading to international standards, permitting imports for product developments, sponsoring trade delegations and participation in International Trade Fairs and Exhibitions.

[Translation]

**Tourism Industry in Jammu and Kashmir**

499. SHRI DATTA MEGHE : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) whether the tourism industry in the Jammu and Kashmir has been totally paralysed due to disturbances in the State;

(b) if so, the income from the tourism industry during the last two years and the number of tourists visited the State; and

(c) the steps taken to improve this situation ?

THE MINISTER OF CIVIL AVIATION AND TOURISM AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : (a) No, Sir. The disturbances in the State has affected the tourism industry in the Kashmir Valley only and not in other regions.

(b) According to the information available from the State Government, the number of tourists who visited different regions of Jammu and Kashmir during last two years were as given below :-