

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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PAKISTAN LICENCE FEE AND DUTY  
ON EXPORTS OF JUTE

Communication from the Indian Delegation  
(dated 15 October 1952)

"I have given further thought to the Chairman's ruling yesterday according to which I was requested to produce documentary evidence to prove that the question of the discriminatory jute levies against India was discussed in the Trade Talks held at Karachi in July last. I have, of course, sent a cable to my Government to send me the required proof, but you will appreciate that I may not be able to get the documents before ten days or so. I feel that this would unnecessarily delay matters. I am sending a further telegram to India requesting that the date of the Minutes and the paragraph number relating to the discussion on discriminatory jute levies may be eabled.

"Meanwhile, having regard to the urgency of the matter, I enclose a copy of the formal representation made by the Government of India to the Government of Pakistan on 3 October 1952. You will observe that in paragraph 4 of this formal note there is specific mention of the fact that the question of the discriminatory jute levies against India was discussed in the Trade Talks in July. I feel that this statement should be enough to justify the inclusion of this item in the Agenda pending receipt of further documentary evidence. I would accordingly request you to circulate this document to the contracting parties."

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NOTE TRANSMITTED BY THE GOVERNMENT OF INDIA TO THE GOVERNMENT OF  
PAKISTAN ON 3 OCTOBER 1952

Subject: Discriminatory levies made by Pakistan on Raw Jute exported to India - Government of India's Decision to Lodge a Formal Written Protest with the Pakistan Government and to take the Issue under the General Agreement on Tariffs and Trade before the International Body of Contracting Parties at the ensuing Seventh Session.

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With effect from 1 July 1952, the Government of Pakistan have introduced two measures in respect of raw jute exports from that country.

These are:

- (1) Imposition of a licence fee of Rs. 2-8-0 per maund exclusively on exports to India, and
- (2) Reduction of the rates of export duty on raw jute,
  - (i) From Rs. 35 to Rs. 15 per bale of 400 lbs. on pucca bales (i.e. from Rs. 7 to Rs. 3 per maund), and
  - (ii) from Rs. 7 to Rs. 5/12/- per maund on loose jute or jute in kutchha bales under Pakistan Government Notification No. 352/213, dated the 28 June 1952.

Both these measures are clearly discriminatory in character and are calculated to place Indian jute goods at a disadvantage in the world market by making the raw material costlier to Indian mills than to British and Continental manufacturers.

2. Both India and Pakistan are parties to the General Agreement on Tariffs and Trade. Article I of this Agreement provides:-

"With respect to customs duties and charges of any kind imposed on or in connection with importation or exportation ... and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation and exportation ... any advantage, favour, privilege or immunity granted by any contracting party to any product originating in or destined for any other country shall be accorded immediately and unconditionally to the like product originating in or destined for the territories of all other contracting parties."

The licence fee of Rs. 2/8/- per maund levied on exports to India, but to no other country, is in clear violation of this provision of GATT.

3. Before 1 July 1952, Pakistan's export duty on raw jute was Rs. 35/- per bale (or Rs. 7/- per maund) whether packed in "Pucca" or "Kutchha" bales. The revised rates of duty introduced with effect from this date, however, are Rs. 3 per maund on "Pucca" bales and Rs. 3/12/- per maund on "Kutchha" bales, and in so far as India alone purchases "Kutchha" bales, the duty is discriminatory and operates to our prejudice.

4. The Government of Pakistan is aware that the question of the discriminatory jute levy against India was discussed in the Trade Talks conducted in July last but no satisfactory solution could be found. The Government of India have, therefore, decided to lodge a written protest with the Pakistan Government against the discriminatory measures in question with a view to their satisfactory adjustment. They have also decided to raise the matter in the ensuing Seventh Session of the GATT and to seek a decision of the CONTRACTING PARTIES under Article XXIII of GATT.