By a letter dated 4 September, the United Kingdom delegation has informed the secretariat of certain changes in the United Kingdom's arrangements for the jute industry which were announced on 13 August 1963. The notification of these changes is relevant, inter alia, in the context of the reporting procedure referred to in paragraph 4 of GATT/AIR/338; these sections are reproduced below. This notification supplements the statement on action taken by the United Kingdom contained in document AC/1.

"The Jute Control deals only with imports. It is empowered to trade in jute goods from any source but at present confines its trade to imports from India and Pakistan. It is the sole importer from these countries of jute yarn, cloth and bags (except heavy bags, common sacking and woolpacks which have been returned to private trade and are freely licensed). Yarn is sold at cost plus overheads. Other imports by the Jute Control are sold at enhanced prices; some (the greater part of the Control's imports of cloth) are sold at a fixed mark-up of 10 per cent, most other cloths at prices at which equivalent goods can be produced and sold by the United Kingdom industry and bags at a fixed mark-up of 50 per cent. The Jute Control imports such quantities as are required to meet the demand upon it.

"Private imports of all jute goods from the Irish Republic are freely licensed either individually or under the Open General Licence; imports from the Eastern Area are not licensed. As regards imports from other sources, imports of yarn, heavy bags, common sacking and woolpacks are freely licensed; other cloth and bags are subject to a quota covering imports from all sources (i.e. except India, Pakistan, the Irish Republic, and the Eastern Area). No other conditions are imposed upon private importers. Home produced goods and privately imported goods compete freely with those imported by the Jute Control.

1The information contained in this note will be incorporated in a revision of document L/1949/Add.4 containing the United Kingdom notification pursuant to Article XVII:4.
"No long-term contracts are negotiated and State-trading methods are not used to fulfil contractual obligations entered into by the Government.

"This notification reflects changes made recently in the United Kingdom's arrangements for jute goods imported from India and Pakistan and is relevant to the reporting required by Airgram GATT/AIR/338, paragraph 4. Briefly, heavy bags, common sacking and woolpacks (some 15 per cent of the Jute Control's sales) are being returned to private trade and will be licensed freely. On a further 60 per cent of the Jute Control's sales (common hessian cloth mainly used for bag making) the mark-up has been halved from 20 to 10 per cent. Specifications of cloth and bags previously not imported from India and Pakistan can now be imported via the Jute Control subject to the appropriate mark-up."