THE CONTRACTING PARTIES have heard a statement of complaint by the delegation of India concerning action taken by the Government of Pakistan and have postponed consideration of the matter pending the receipt of further information.

The Indian complaint is as follows: as from 1 July 1952, Pakistan has charged a licence fee of two rupees and eight annas (Pakistan) per maund on raw jute exports to India but has not levied this fee on exports of raw jute to countries other than India.

Further, by a notification dated 20 June 1952, Pakistan has reduced the export duty on raw jute but has varied the reduction according to the standard of packing, the rates being Rs. 15/- per bale of 400 lbs. on raw jute in standard packing and Rs. 18/12/- per bale of 400 lbs. in inferior packing. As the Indian jute mills are located close to the jute-growing areas of Pakistan, all the raw jute which is exported in inferior or loose packing finds its way to India. In effect, therefore, the higher rate of export duty on jute in loose or inferior packing affects only the Indian importers.

Mr. L.R.S. Singh, India, drew the attention of the Contracting Parties to facts set out above and said that in the view of his Government, they constituted an infringement of Article I. He stressed that the matter was urgent. India, he said, was the largest exporter of jute manufactured goods in the world, and a vital sector of the Indian economy was affected by the new Pakistan regulations. The levy had come as a surprise, he said. He also said that there was a seasonal element in that a large proportion of the jute which India imported from Pakistan was moved during a comparatively short season starting in August over waterways which became unfit for navigation later in the year. Mr. Singh therefore asked the Contracting Parties to consider the matter without delay under the Article XXIII "complaints" procedure.

Mr. Aziz Ahmad, Pakistan, said that his delegation were unaware of the complaints until the first week of October and he regretted that it would therefore, be possible for his delegation to discuss the matter in detail this Session. According to the Indian statement, they had been aware of these measures since the beginning of July last and, therefore, the Government India had ample time to comply not only with the rules and procedures of
the Contracting Parties concerning adoption of items on the agenda but also with the essential provision of Article XXIII which lays down that bilateral consultations must take place between the two parties concerned, but if no satisfactory solution is reached during a reasonable time the matter could only then be brought to the Contracting Parties. As to the alleged urgency of the issues, it was pointed out that, according to India's own claim, she only purchased 20 per cent of her total requirements of jute from Pakistan. Attention was also drawn to the fact that after non-devaluation by Pakistan in September 1949 India did not purchase any jute whatsoever from Pakistan for a long time. It was, therefore, difficult to appreciate the Indian statement that her purchases of jute was a matter of vital and urgent concern to Indian economy. Mr. Aziz Ahmad emphasized that their delegation would be able to discuss this matter in its substance after the Government of India had complied with the provisions of the relevant Article, which their representative was now invoking.

Mr. Singh said that the question of discriminatory levies on raw jute exports to India was, in fact, raised in the July Trade Negotiations between India and Pakistan and that, in his view, consultations had taken place but without reaching a satisfactory result and, therefore, the matter had been dealt with in accordance with the terms of Article XXIII.

The Chairman said that the crucial point was whether the matter had been dealt with according to Article XXIII. On this point he said he would ask for more information before coming to a decision. He therefore postponed any further discussion on the points raised, leaving it to the delegation of India to submit documentary evidence that bilateral consultations between India and Pakistan had, in fact, taken place and the question of discrimination had been raised by the Indian Government with the Pakistan Government as required under Article XXIII.