

August 05, 1952

TRADE AGREEMENT BETWEEN INDIA AND PAKISTAN

New Delhi, 5 August 1952

The Representatives of the Government of India on the one hand and the Representatives of the Government of Pakistan on the other have agreed to the following arrangements for the continuance of trade between the two countries:-

Article I

The Period of this Agreement shall be from the 8th August, 1952 to the 30th June, 1953.

Article II

The two Governments agreed that with respect of the items mentioned in Schedules 'A' and 'B' attached to this Agreement and which shall be taken to form an integral part thereof, licences shall, where necessary, be granted in accordance with the laws, regulations and procedure in force in either country from time to time to permit the import and export of the quantity/value mentioned against each item.

Article III

The two Governments agree that exports and imports of the commodities mentioned in Schedules 'A' and 'B' shall normally take place through ordinary commercial channels, except where either Government finds it necessary to buy or sell part or whole of the quantity/value of any commodity on

Government account. Such purchases and sales shall be reckoned as being within the terms of this Agreement.

Article IV

In order to facilitate the working of the Agreement, the two Governments agree to consult each other in respect of any matters arising from or in connection with the supply and movement of goods between the two countries, including the alteration, amendment or addition to Schedules 'A' and 'B' of this Agreement.

Article V

The commodities and goods described in Schedules 'A' and 'B' refer only to those that are produced, processed or manufactured in India or Pakistan as the case may be.

Article VI

The Government of India and the Government of Pakistan agree not to permit the re-export of any of the commodities imported under Schedules 'A' and 'B'.

Article VII

The two Governments agree that in respect of all commodities whether included in the Schedules to this Agreement or not, import and export licences in respect of the non-dollar currency areas shall be valid for India and Pakistan as the case may be.

Article VIII

This Agreement shall come into force on approval by the two Governments.

Signed on behalf of the Government of India.

Sd./- S. BHOOTHALINGAM,
Leader of the Indian Trade Delegation

Signed on behalf of the Government of Pakistan.

Sd./- M.KARAMATHULLAH,
Leader of the Pakistan Trade Delegation, New Delhi

SCHEDULE 'A'
IMPORTS FROM INDIA INTO PAKISTAN

Commodities	Quantity/Value (In Pakistan rupees).
1. Pig iron	Quantity outstanding against orders already placed prior to

		the conclusion of this Agreement (8,800 tons).
2.	Ferro manganese	200 tons, including the quantity outstanding against orders already placed prior to the conclusion of this Agreement (100 tons).
3.	Ferro silicon	200 tons, including the quantity outstanding against orders already placed prior to the conclusion of this Agreement (100 tons).
4.	Iron & Steel products	
	(a) Rails	5,000 tons, in addition to the quantity outstanding against orders already placed prior to the conclusion of this Agreement (about 12,149 tons).
	(b) Wheels, tyres and axles	Quantity outstanding against orders already placed prior to the conclusion of this Agreement (3,690 tons).
	(c) Heavy structural steel	10,000 tons.
5.	High Alumina fire bricks	600 tons, including the quantity outstanding against orders already placed prior to the conclusion of this Agreement (about 560 tons).
6.	Wood & Timber:	
	(a) Hard (including Sal from Assam only but excluding teak).	10,000 tons.
	(b) Soft	. 10,000 tons.
	(1) Deodar	15,000 tons.
	(2) Others	
	(c) Railway sleepers	. 13,500 tons.
	(1) Soft	1,500 tons.
	(2) Hard	
7.	Mustard oil.	5,000 tons, or imports against outstanding licences whichever is greater.
8.	Hard cotton waste	1,000 tons.
9.	Potato seeds	P.M.
10.	Herbs, crude drugs and medicines	Rs. 70,00,000

11.	Indigenous medicines (excluding fruit preserves, murrabbas and gulkand)	
12.	Lime and lime stone	Rs. 5,00,000
13.	Tallow	P.M.
14.	Beedi leaves and beedi tobacco	Rs. 1,00,00,000
15.	Beedies	Rs. 1,00,00,000
16.	MyrabaBeedieslans and myrabalan extracts	250 tons.
17.	Khari salt	Rs. 5,00,000
18.	Filter cloth	25,000 yards.
19.	Sugarcane set	P.M.
20.	Printed books, journals, magazines and periodicals	Rs. 35,00,000
21.	Spices	Rs. 1,00,00,000
22.	Textile machinery and spare parts	Rs. 50,00,000
23.	Weighing machins and weigh bridges	Rs. 2,00,00,000
24.	Belting for machinery	Rs. 10,00,000
25.	Cast iron pipes, excluding pressure pipes	Rs. 15,00,000
26.	Road rollers	Rs. 23,00,000

SCHEDULE 'B'

IMPORTS FROM PAKISTAN INTO INDIA

Commodities	Quantity/Value (In Indian Rs.)
Raw Buffalo hides	200,000 pieces.

Raw Cor hides	100,00,000 pieces.
Raw Sheep skins	100,000 pieces.
Raw Goat skins	100,000 pieces.
Bamboo	Rs. 10,00,000
Fish	Rs. 2,00,00,000
Poultry	
Eggs	
Herbs, crude drugs and medicines	Rs. 8,00,000
Indigenous medicines (excluding fruit preserves, Murrabbas and Gulkand)	
Printed books, magazines, periodicals and journals	Rs. 10,00,000
Spices including Dhania, Methi, Chandani and Black Cummin seeds	Rs. 30,00,000
Tallow	P.M.
Firewood	Rs. 5,00,000

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 5th August, 1952.

My Dear KARAMATULLAH,

During our negotiations for the Trade Agreement, it was agreed that the obligation of either country under Article VII would not extend to licences for export or import granted in terms of bilateral agreements already in force or which may be entered into hereafter with any third country. I would be glad to have your confirmation.

Yours sincerely,

Sd/- S. BHOOTHALINGAM.

M. KARAMATULLAH,
Esqr., Leader, Pakistan Trade Delegation, New Delhi.

GOVERNMENT OF PAKISTAN
PAKISTAN TRADE DELEGATION

Camp: New Delhi, the 6th August, 1952.

My Dear BHOOTHALINGAM,

I acknowledge with thanks the receipt of your letter dated the 5th August, 1952, which reads as under: "During our negotiations for the Trade Agreement, it was agreed that the obligation of either country under Article VII would not extend to licences for export or import granted in terms of bilateral agreements already in force or which may be entered into hereafter with any third country.

Yours sincerely,

Sd/- M. KARAMATULLAH. DELEGATION OF PAKISTAN.

S. BHOOTHALINGAM,
Esqr. I.C.S., Leader of Indian Delegation, New Delhi.

My Dear BHOOTHALINGAM,

I would be glad to have your confirmation." I confirm that the above correctly sets out the position. New Delhi, the 5th August, 1962. Although it was not found possible to include jute and coal in the Schedule to the Agreement, it was recognised by the two Delegations that trade in these and other commodities not entered in the Schedules would nevertheless continue to move.

I shall be grateful if you would confirm that the above correctly sets out the position.

Yours sincerely,
Sd/- M. KARAMATHULLAH.

S. BHOOTHALINGAM,
Esqr., I.C.S. Leader of Indian Delegation New Delhi.

INDIAN DELEGATION

New Delhi, the 5th August, 1952

My Dear KARAMATULLAH,

I acknowledge with thanks the receipt of your letter dated 5th August, 1952, which reads as under:— "Although~ it was not found possible to include jute and coal in the Schedules to the Agreement, it was recognised by the two Delegations that trade in these and other commodities not entered in the Schedules would nevertheless continue to move.

I shall be grateful if you would confirm that the above correctly sets out the position." I confirm that the above correctly sets out the position.

Yours sincerely,

Sd/- S. BHOOTHALTNGAM.

M. KARAMATULLAH,
Esqr., Leader, Pakistan Delegation, New Delhi.

DELEGATION OF PAKISTAN.

New Delhi, dated the 5th Aug., 1952.

MY Dear BHOOTHALINGAM,

During the course of our negotiations, I explained to you that we are treating Japan as a separate currency group by itself. At present we classify it somewhere between the dollar countries and the non-American account countries with the result that, in the matter of imports, Japan is being treated less favourably than the rest of the non-dollar world including India. The contingency, however, exists that, depending upon the movement of goods and commodities to and from Japan, we may have to adopt a more favourable policy towards it than that applicable to the rest of the non-dollar area. The object of this letter is to make it clear that, should such a contingency arise, our obligation under Article VII would not extend to special licences for the import from or export to Japan.

Yours sincerely,

Sd/- M. KATIAMATULLAH.

S. BHOOTHALTNGAM,
Esq., I.C.S., Leader, Indian Delegation, New Delhi.

INDIAN DELEGATION.

New Delhi, dated 5th August, 1952.

My Dear KARAMATULLAH,

I acknowledge with thanks the receipt of your letter dated 5th August, 1952, which reads as under:—
"During the course of our negotiations, I explained to you that we are treating Japan as a separate currency group by itself. At present we classify it somewhere between the dollar countries and the nonAmerican account countries with the result that, in the matter of imports, Japan is being treated less favourably than the rest of the non-dollar world including India. The contingency, however, exists that, depending upon the movement of goods and commodities to and from Japan, we may have to adopt a more favourable policy towards it than that applicable to the rest of the non-dollar area. The object of this letter is to make it clear that, should such a contingency arise, our obligation under

Article VII would not extend to special licences for the import from or export to Japan." I take note of the position.

Yours sincerely,

Sd. S. BHOOTHALTNGAM.

M. KARAMATULLAH,
Esq., Leader, Pakistan Delegation, New Delhi.

INDIAN DELEGATION

New Delhi, dated 5th August, 1952.

My dear KATIAMATULLAH,

In the course of our negotiations, we enquired about the method and the object of the Export Price Checking procedure now in force in Pakistan. You explained that this check is at present limited to certain goods and the object is to prevent under-invoicing. The check is uniformly applied to exports to all countries on the basis of current prices. I shall be grateful if you would confirm that the above correctly sets out the position.

Yours sincerely,

Sd/- S. BHOOTHALTNGAM.

M. KARAMATULLAH,
Esqr., Leader, Pakistan Trade Delegation, New Delhi.

DELEGATION OF PAKISTAN

New Delhi, dated 5th August, 1952.

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Yours sincerely,

Sd/- M. KARAMATULLAH.

S. BHOOHALINGAM

Esqr., I.C.S., Leader, Indian Delegation, New Delhi.