



Treaty Series No. 50 (1937)

Protocol
regarding
Commercial Relations between
India and Japan

[With Exchange of Notes regarding the prolongation of the
Convention of July 12, 1934]

London, October 12, 1937

*Presented by the Secretary of State for Foreign Affairs
to Parliament by Command of His Majesty*

LONDON

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PROTOCOL REGARDING COMMERCIAL RELATIONS BETWEEN
INDIA AND JAPAN, WITH EXCHANGE OF NOTES.

London, October 12, 1937.

WHEREAS the Protocol regarding the importation of Japanese cotton piece-goods into India, signed in London on the 12th day of July, 1934,⁽¹⁾ ceased to be in force as from the 31st day of March, 1937; and

Whereas it is desired to conclude a new Protocol regarding this matter;

The undersigned, being duly authorised to that effect, have agreed as follows:—

ARTICLE 1.

For the purposes of the present Protocol—

the expression "cotton year" means a year beginning on the 1st day of January;

the expression "cotton piece-goods year" means a year beginning on the 1st day of April;

a cotton piece-goods year and the cotton year in which that cotton piece-goods year begins are referred to as "corresponding"; and

the expression "yard" means a linear yard.

ARTICLE 2.

The customs duties to be imposed on importation into India of cotton piece-goods manufactured in Japan shall not exceed the following rates:—

(a) plain greys—50 per centum *ad valorem* or $5\frac{1}{4}$ annas per pound, whichever is higher;

(b) others—50 per centum *ad valorem*.

If hereafter the Government of India should decide to impose a specific duty on cotton piece-goods other than plain greys, it will not impose on such piece-goods, being the manufacture of Japan, a specific duty exceeding $5\frac{1}{4}$ annas per pound.

ARTICLE 3.

(1) If in any cotton year 1 million bales of raw cotton are exported from India to Japan, the quantity of cotton piece-goods

(1) "Treaty Series No. 31 (1934)," Cmd. 4735.

which may be exported from Japan to India in the corresponding cotton piece-goods year shall be a basic allotment of 283 million yards.

(2) If the exports of raw cotton from India to Japan in any cotton year are less than 1 million bales, the allotment of cotton piece-goods for the corresponding cotton piece-goods year shall be the basic allotment diminished by 2 million yards for every 10,000 bales of the deficit or for any residual quantity thereof exceeding 5,000 bales.

(3) If the exports of raw cotton from India to Japan in any cotton year exceed 1 million bales, the allotment of cotton piece-goods for the corresponding cotton piece-goods year shall be the basic allotment increased by $1\frac{1}{2}$ million yards for every 10,000 bales of the excess or for any residual quantity thereof exceeding 5,000 bales;

Provided that the allotment of cotton piece-goods shall not in any case exceed 358 million yards for any cotton piece-goods year.

(4) If the exports of raw cotton from India to Japan in any one cotton year exceed $1\frac{1}{2}$ million bales, the excess shall be added to the quantity of raw cotton exported from India to Japan in the immediately following cotton year for the purpose of determining the allotment of cotton piece-goods for the cotton piece-goods year corresponding to such following cotton year.

(5) For the purpose of the calculations under the present Article any raw cotton which has been imported into Japan and then exported shall be excluded.

ARTICLE 4.

(1) The allotment of cotton piece-goods which may be exported from Japan to India during the first half of any cotton piece-goods year shall be 179 million yards;

Provided that if in the first half of any cotton piece-goods year the exports of cotton piece-goods from Japan to India exceed the allotment for the whole of that cotton piece-goods year, the allotment for the first half of the following cotton piece-goods year shall be 179 million yards less such excess.

(2) The allotment of cotton piece-goods which may be exported from Japan to India during the second half of any cotton piece-goods year shall be the annual allotment for that year less 179 million yards;

Provided that if the quantity exported from Japan to India in the first half of any cotton piece-goods year is less than 179 million yards as increased or diminished under Article 5, the allotment for the second half of that cotton piece-goods year shall include the quantity of the deficit up to a quantity not exceeding 25 million yards.

(3) For the purposes of the calculations under the present Article, and under Articles 5, 7 and 8, any cotton piece-goods which have been imported into India and then exported elsewhere than to Burma shall be excluded.

ARTICLE 5.

Notwithstanding anything hereinbefore contained—

- (a) if less than the allotment for any cotton piece-goods year is exported from Japan to India in that year the quantity of the deficit up to a quantity not exceeding 25 million yards may be exported in the first half of the following cotton piece-goods year in addition to the allotment for that half-year;
- (b) a quantity not exceeding 25 million yards of cotton piece-goods may be exported from Japan to India in the first half of any cotton piece-goods year in addition to the allotment; but such excess shall be deducted from the allotment for the second half of that cotton piece-goods year; and
- (c) a quantity not exceeding 25 million yards of cotton piece-goods may be exported from Japan to India in any cotton piece-goods year, other than the cotton piece-goods year in which the present Protocol terminates, in addition to the allotment for that year; but such excess shall be deducted from the allotment for the first half of the following cotton piece-goods year.

ARTICLE 6.

For the purposes of the present Protocol the first cotton year shall be deemed to commence on the 1st day of January, 1937, and the first cotton piece-goods year on the 1st day of April, 1937.

ARTICLE 7.

(1) For the purposes of the present Protocol cotton piece-goods shall be divided into the five categories of—

- (a) plain greys,
- (b) bordered greys,
- (c) bleached (white) goods,
- (d) coloured printed goods, and
- (e) coloured (dyed or woven) goods;

and the allotment for any cotton piece-goods year shall be divided into sub-allotments among these five categories, consisting of portions of the allotment as follows :

	<i>Per centum.</i>
Plain greys	40
Bordered greys	13
Bleached (white) goods	10
Coloured printed goods	20
Coloured (dyed or woven) goods	17

and, save as provided in paragraph (2), the export of cotton piece-goods in each category in any cotton piece-goods year shall be restricted to the said portions.

(2) Transfers may be made from one sub-allotment to another, subject to the following conditions :

- (a) The allotment for any cotton piece-goods year shall not thereby be increased;
- (b) The amount transferred from the sub-allotment for bordered greys or from the sub-allotment for bleached (white) goods shall not exceed 20 per centum of the amount of such sub-allotment, and the amount transferred from any other sub-allotment shall not exceed 10 per centum of the amount of such sub-allotment; and
- (c) The sub-allotment for bordered greys or the sub-allotment for bleached (white) goods shall not be increased by more than 20 per centum of the amount of such sub-allotment, and any other sub-allotment shall not be increased by more than 10 per centum of the amount of such sub-allotment.

(3) The principles of the present Article shall apply also to quantities of cotton piece-goods exported from Japan to India under Article 5 in excess of the yearly allotments, as if such quantities were yearly allotments.

ARTICLE 8.

Not more than 8·95 million yards of cotton fents, *i.e.*, *bona fide* remnants not exceeding four yards in length, shall be exported from Japan to India in any cotton piece-goods year, provided that more than this allotment of cotton fents may be exported from Japan to India in any cotton piece-goods year, other than the cotton piece-goods year in which the present Protocol terminates, on condition that the quantity of the excess shall be deducted from the allotment of 8·95 million yards for the following cotton piece-goods year; and provided further that if less than this allotment of cotton fents is exported from Japan to India in any cotton piece-goods year the quantity of the deficit shall be added to the allotment of 8·95 million yards for the following cotton piece-goods year.

The customs duties to be imposed on importation into India from Japan of cotton fents shall not exceed 35 per centum *ad valorem*.

ARTICLE 9.

Nothing in the present Protocol shall be deemed to affect the rights and obligations arising under the Convention regarding the Commercial Relations between India and Japan of the 12th day of July, 1934.⁽²⁾

(2) "Treaty Series No. 31 (1934)," Cmd. 4735.

ARTICLE 10.

The present Protocol shall come into force immediately on signature and shall remain in force until the 31st day of March, 1940.

Done in London, in duplicate, the twelfth day of October, 1937, corresponding to this twelfth day of the tenth month of the twelfth year of Showa.

ANTHONY EDEN.
ZETLAND.
SHIGERU YOSHIDA.

EXCHANGE OF NOTES.

No. 1.

*Mr. Shigeru Yoshida to Mr. Eden.**Japanese Embassy,*Sir, *London, October 12 (Showa 12), 1937.*

In view of the fact that the Protocol signed this day regarding the importation of Japanese cotton piece-goods into India is to remain in force until the 31st March, 1940, I have the honour, under instructions from the Japanese Government, to propose that the first paragraph of Article 6 of the Convention regarding the Commercial Relations between Japan and India signed on the 12th July, 1934,⁽³⁾ should be amended so as to read:—

“The present Convention shall remain in force until the 31st day of March, 1940.”

In the event of the Government of India being willing to agree to this proposal, I have the honour to suggest that this note, together with your reply thereto in similar terms, should be regarded as constituting an agreement between the two Governments in regard to this matter.

I have, &c.

SHIGERU YOSHIDA.

No. 2.

*Mr. Eden to Mr. Shigeru Yoshida.*Your Excellency, *London, October 12 (Showa 12), 1937.*

I HAVE the honour to acknowledge the receipt of your note of to-day's date, in which your Excellency proposed, under instructions from the Japanese Government, that the first paragraph of Article 6 of the Convention regarding the Commercial Relations between India and Japan, signed on the 12th July, 1934, should be amended so as to read:—

“The present Convention shall remain in force until the 31st day of March, 1940.”

I have the honour to inform your Excellency that the Government of India are ready to accede to this proposal, and agree that this note, together with your Excellency's note under reply, should be regarded as constituting an agreement between the two Governments in regard to this matter.

I have, &c.

ANTHONY EDEN.

(3) “Treaty Series No. 31 (1934),” Cmd. 4735.