

LIMITED B
GATT/CP.3/9
10 March 1949

ORIGINAL: ENGLISH

GENERAL AGREEMENT ON TARIFFS AND TRADE

Contracting Parties

Third Session

Interim Agreement for a Customs Union

between

The Union of South Africa and Southern Rhodesia

The following is an extract from communications received from the Governments of the Union of South Africa and of Southern Rhodesia:

" I wish to state, for the information of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, that a Customs Union (Interim) Agreement was concluded between the Government of the Union of South Africa and the Government of Southern Rhodesia on 6th December, 1948.

"2. Forty copies of the Agreement are being forwarded by surface mail for distribution amongst the contracting parties.

"3. In terms of Article 28 thereof, the two Governments have decided that the Agreement shall enter into force on 1st April, 1949.

"4. In order to enable the contracting parties to appreciate more readily the circumstances which have given rise to the conclusion of the Customs Union (Interim) Agreement, I append a brief explanation of the basis on which the trade relations between the Union of South Africa and Southern Rhodesia have hitherto been regulated.

"5. Prior to 1930 there existed a customs union between the two countries. This position had obtained since before the formation of the Union of South Africa in 1910, and during all these years the two countries had a common tariff and, subject to a few exceptions, a free interchange of domestic products. These principles were embodied in the Customs Union Conventions of 1906, 1910 and the subsequent revisions thereof.

"6. The first important departure from the principle of free trade was contained in the Customs Agreement of 1924 in terms whereof the importation into either country of certain commodities was placed under quota.

"7. In 1930 the Agreement was revised and whilst the principle of a free interchange of products between the Union and Southern Rhodesia was still maintained provision was made for Southern Rhodesia to institute its own customs tariff.

"8. The principle of a free interchange of products was abandoned under the Trade Agreement of 1935 which provided for the free interchange between the two countries of only a limited number of articles whilst all other goods were made dutiable at preferential rates.

"9. In 1945 the two Governments, after having reviewed the operation of the 1935 Trade Agreement, came to the conclusion that it would be to their mutual advantage to restore the principle of a free interchange of domestic products which had previously characterised their commercial relations.

"10. Officials of the two Governments immediately started exploratory discussions with a view to devising practical measures for achieving this object. Towards the latter half of 1946 their work had advanced sufficiently to enable the two Governments to commence with the negotiations which culminated in the signature of the Customs Union (Interim) Agreement. These negotiations were frequently interrupted as a result of other demands made on the limited manpower of the two Governments, and were only completed towards the end of 1948 when the Agreement was finally signed.

"11. The Agreement aims at facilitating the removal of all customs and other trade barriers between the two countries and the re-establishment of a Customs Union, and is the first step towards restoring the principle of free-trade.

"12. In terms of Article XXIV of the General Agreement on Tariffs and Trade an interim agreement of this nature must include a definite plan and schedule for the attainment of a Customs Union within a reasonable length of time. In this connection the following provisions of the Customs Union (Interim) Agreement between the Union of South Africa and Southern Rhodesia are pertinent:-

- "(i) The Preamble which states that the Agreement aims at the ultimate re-establishment of a Customs Union between the two countries.
- "(ii) Article 1(b) which defines the term "Transition period" as used in the Agreement in connection with the maintenance of certain temporary restrictions on the trade between the two territories.
- "(iii) Article 2 and Annexure A which provide for the constitution, composition and functions of a full-time Southern Africa Customs Union Council. To this body has been entrusted the responsibility of supervising the implementation of the aims and purposes of the Agreement and to make recommendations to the two Governments.
- "(iv) Articles 3 and 8 in which the two Governments have undertaken to study the measures necessary for the elimination of all tariffs and regulations restrictive of the commerce between their respective territories and have affirmed their ultimate aim to re-establish a customs union.
- "(v) Article 13 in terms whereof the two Governments have agreed to work towards the adoption of a common customs tariff.
- "(vi) Articles 17, 18 and 19 in which the adoption of a common excise tariff is envisaged".

