

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
Thirteenth Session

RHODESIA AND NYASALAND TARIFF

Report by the Federation's Delegation

1. Negotiations with Australia

It will be recalled that in their Decision of 3 December 1955, the CONTRACTING PARTIES authorized the Governments of the Federation of Rhodesia and Nyasaland and Australia to complete the process of adjustment in preferences affecting each other's trade during the initial life of the Trade Agreement concluded on 30 June 1955. The Federation has been unable to complete negotiations within the time limit which expired on 30 June 1958. The CONTRACTING PARTIES were informed to that effect in document GATT/AIR/132 of 19 June 1958, and the situation was reported to the Intersessional Committee at its meeting on 9 July 1958. On the understanding that a further report would be submitted at this Session, the Committee recommended that the CONTRACTING PARTIES should take appropriate action to enable the Federation and Australia to effect the adjustments envisaged in the earlier Decision.

The Federal Government wishes to report that, solely as a result of the heavy programme of work in which the two Governments have been engaged, it has not proved possible to carry the negotiations further. Nevertheless, the Federal Government has, in consultation with the Government of Australia, scheduled the work for completion by the end of June 1959, suiting the work programme of the Departments concerned in both capitals.

Accordingly, the agreement of the CONTRACTING PARTIES is sought to an extension of the time limit previously granted for the adjustment of the Federal tariff in relation to Australia from 30 June 1958 to 30 June 1959 on the understanding that the negotiations will be completed by the latter date.

2. Negotiations with the Portuguese Government

At the Intersessional Committee meeting held on 9 and 10 July 1958, the representative of the Federation of Rhodesia and Nyasaland referred to the fact that the Federal Government was negotiating with the Portuguese Government with a view to formalizing the special trading arrangements in regard to products of the soil which exist between the Federation and Mozambique. Our representative undertook that at the appropriate time the Federal Government would submit a report to the CONTRACTING PARTIES.

The Agreement has been negotiated and the draft is about to be initialled; the relevant Articles are attached to this document. The Agreement is subject to ratification which cannot take place on the part of the Federal Government during the next sixty days. Thus interested contracting parties have a period of notice, equivalent to that specified in the Decision of 3 December 1955, in which to seek consultations, in the terms of that Decision, with the Federation on any tariff adjustments resulting from the Agreement.

Since 1910, the unmanufactured products of the soil of the Mozambique provinces of Manica and Sofala have been admitted free of customs duty into Southern Rhodesia, and reciprocally the unmanufactured produce of the soil of Southern Rhodesia has entered those provinces free of Mozambique customs duty.

This arrangement was reached as the result of an agreement between the British South Africa Company (which until 1923 administered the territory of Southern Rhodesia) and its counterpart, the Mozambique Company. On the Southern Rhodesian side, the arrangement is expressed in Southern Rhodesia Government Notice No. 161 of **30 June** 1920 which reads as follows:

"The Administrator ... has been pleased, in terms of the Customs Union and Tariff Ordinance, 1906, as amended by Section 4, sub-section (2) of the Customs Ordinance, 1910, to approve of the free admission into Southern Rhodesia until further notice of:

All animals bred and raw produce grown in the Portuguese province of Mozambique South of the Zambesi."

This arrangement had the purpose and effect of facilitating supplies to the mining and other settlements on each side of the frontier, and is similar to the arrangements which contracting parties are authorized under paragraph 3(a) of Article XXIV to make in respect of adjacent territories in order to facilitate frontier traffic.

In 1950, prior to Federation, the United Kingdom (on its own behalf in respect of Northern Rhodesia and Nyasaland and on behalf of Southern Rhodesia) concluded a convention with the Portuguese Government regarding the use of the Port of Beira and the connected railways. Article XI of the Beira Convention provided that, as soon as possible, the Contracting Governments should initiate negotiations for the conclusion of Trade and Establishment Agreements between Mozambique on the one hand, and the territories of Southern Rhodesia, Northern Rhodesia and Nyasaland on the other. These Agreements were contemplated as including, inter alia, provisions for "regulating customs tariffs between the territories of the parties and, where possible, providing for the free interchange of certain classes of goods."

Negotiations for the Federation of Rhodesia and Nyasaland naturally diverted the attention of their Governments, and at the time when the Federal Government, in October 1953, took over the responsibility for the external

trade of the three territories only preliminary discussions had taken place on the subject of the Trade and Establishment Agreements envisaged under Article XI of the Beira Convention. With the creation of the uniform Federal tariff, the application of the earlier arrangements was necessarily extended to the whole Federation.

Contracting parties will note that the relevant Articles of the Agreement formalize the trading arrangements in respect of unmanufactured products of the soil which in regard to Mozambique have been in existence since 1910. They also provide for the free interchange of unmanufactured products of the soil between the Federation and Angola as soon as transport facilities and the requirements of frontier trade warrant it.

The agreement of the CONTRACTING PARTIES is accordingly sought that the Federal Government shall be free to complete the processes of adjustment in its tariff connected with its negotiations with the Portuguese Government by 1 July 1959 (the date to which a similar extension has been sought in this paper in the case of its negotiations with the Government of Australia), and subject to the effective procedures provided for in the Decision of 3 December 1955.

Extracts from the proposed Agreement between the
Government of the Federation of Rhodesia and
Nyasaland and the Government of Portugal

ARTICLE V

Live animals and poultry, fresh fish, and unmanufactured products of the soil of a vegetable nature, either wild or cultivated, including unmanufactured foodstuffs, when reared, grown or produced in the Federation of Rhodesia and Nyasaland, or in Mozambique, will be exempted from import duties and all other customs charges when imported into any part of Mozambique or into any part of the Federation of Rhodesia and Nyasaland, provided that the Stamp Duty ("selo de despacho") applied in Mozambique to imports is not included in the exemption referred to in this Article.

ARTICLE VI

The Contracting Governments will grant to each other reciprocally, in Angola and the Federation of Rhodesia and Nyasaland (the areas of origin and destination being defined later), the same customs privileges, granted as between neighbours, referred to in Article V, as soon as the transport facilities and the requirements of frontier trade result in a commercial exchange between Angola and the Federation of Rhodesia and Nyasaland of the goods referred to in Article V.