

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES

Fourteenth Session

SOUTH AFRICA - RHODESIA AND NYASALAND TRADE AGREEMENT

Note by the Chairman

At the plenary meeting on 26 May, at the end of the discussion on item 22(a), I suggested that the following might be recorded as the conclusions of the CONTRACTING PARTIES in this matter and I stated that the text would be circulated for formal approval at a subsequent meeting for incorporation in the summary record:

- "1. The CONTRACTING PARTIES, without making any formal ruling, record that there are serious doubts as to the validity of the interpretation of the legal position which has been the basis upon which South Africa and the Federation have been working.
- "2. Accordingly, the two governments may wish to consider whether the existing agreement should not be renegotiated if it is to be continued after the expiry of the five-year period of firm validity on 30 June 1960.
- "3. Meanwhile, the CONTRACTING PARTIES would, if so required by the two governments, at their fifteenth session examine the whole question of the special commercial relationships between South Africa and the Federation, with a view to clearly defining the position of the CONTRACTING PARTIES in this regard so that the two governments, in the course of any renegotiations between them which they may decide upon, could take into account the views of the CONTRACTING PARTIES in the course of their negotiations.
- "4. South Africa and the Federation would present the results of any such renegotiations to the CONTRACTING PARTIES so that there would be a definitive and agreed settlement of this question within the framework of the General Agreement.
- "5. Pending such definitive and agreed settlement, South Africa and the Federation, in making increases in their most-favoured-nation rates, will take full account of the position of other contracting parties and afford opportunities for consultation regarding the possible diversionary effects of increases in most-favoured-nation rates."