1. The Working Party has considered the alternative courses proposed by the Intersessional Committee (L/250) for dealing with the problem of the Schedule of Southern Rhodesia and with Annexes A and G.

2. Until a uniform tariff for the Federation of Rhodesia and Nyasaland comes into operation, the separate tariffs of the three constituent territories must remain in force. It is therefore not possible at this stage to produce a schedule which would be applicable generally to the Federation. It would be possible, as suggested by the Intersessional Committee, to change the title of Schedule XVI, to take account of the recognition of the Federation as the contracting party, while indicating that the rates of duty shown therein apply only to Southern Rhodesia; but the Working Party considers that this is hardly worth while since it is probable that before the protocol effecting this change could enter into force a new schedule would have superseded the existing schedule. The Working Party was informed that the submission of the new schedule to the CONTRACTING PARTIES could be expected about the middle of 1955.

3. The Working Party then considered the proposed changes in Annexes A and G. It is clearly desirable that at the appropriate time Annex A should be amended to show the Federation as the territory to which the preferential arrangements will apply. In the opinion of the Working Party the most appropriate time to make such an amendment in Annex A and any change that might be required in Annex G will be when the Government of the Federation indicates, as it is expected to do when submitting its new tariff, the situation which it considers should exist with respect to the binding of margins of preference. Until that situation is indicated, and until any adjustments which may be called for are made in accordance with the principles of Article XXIV of the General Agreement, there can be no change in the position under paragraph 4 of Article I and Annexes A and G of the General Agreement.

4. For these reasons it appears to the Working Party that at present no changes need be made in Schedule XVI or in Annexes A and G. Accordingly, the Working Party recommends that these questions be examined again by the CONTRACTING PARTIES at their Tenth Session on the basis of the schedule communicated to the contracting parties.

5. The Working Party has been informed by the representative of the Federation that in framing its new tariff the Federation will have due regard to the principles of Article XXIV of the General Agreement and, particularly, that the duties in
respect of trade between the Federation and other contracting parties will not on the whole be higher than the general incidence of the duties now existing. In drafting its new tariff, the Federation will need to take account of the fact that Nyasaland and part of Northern Rhodesia fall within the conventional area of the Congo Basin.