I am most grateful to have this opportunity of attending this session of the Contracting Parties to the General Agreement on Tariffs and Trade. I am on my way back to the Federation of Rhodesia and Nyasaland after visiting Washington and London. This brief visit enables me to see at first hand how the mystic circle known to the world as GATT operates. It also provides me with an opportunity of placing before you the difficulties we have encountered in formulating our tariff. I am confident that, with your assistance, we can overcome one of the problems confronting the new Central African Federation.

At the time the decision was taken to establish a Federal Government for the three Central African Territories of Southern Rhodesia, Northern Rhodesia and Nyasaland, the tariff systems in operation in the Territories were widely different. Southern Rhodesia, which was politically and economically the most highly developed, had maintained for more than fifty years the traditional system of preferences for the United Kingdom and members of the Commonwealth. In addition, the country had a customs union agreement with Northern Rhodesia, an agreement directed towards the customs union with South Africa, a free trade agreement with some of the United Kingdom protectorates in South Africa, and a trade agreement with Australia. The greater part of Northern Rhodesia operated a similar preferential system. In addition, Northern Rhodesia had made a virtual customs union with South Africa, so that there was free movement of goods between South Africa and Northern Rhodesia by way of Southern Rhodesia. A small, undeveloped part of Northern Rhodesia fell in a non-preferential area to which also the agreement with South Africa could not specifically apply. Nyasaland applied a single column tariff.

To these different tariff structures must be added the fact that, while copper production, which is the greatest of the Federation's exports, occurs almost exclusively in Northern Rhodesia, secondary industrial development is only significant so far in Southern Rhodesia, while the economy of Nyasaland, apart from tea and tobacco, is predominantly one of subsistence agriculture. There are in consequence wide disparities in the earnings of the inhabitants of the various parts of the Federation, and great differences between the social and other services provided by the Governments.

Since one of the main objectives of the Federation is to build up a unified economy and weld together the three territories, which are complementary to one another in so many ways, the Federal Constitution placed responsibility for the major economic functions in the hands of the Central Government. As one of its first tasks the Government was faced with breaking down the barriers which lay in the way of free movement of goods between the territories. This was done almost immediately so far as domestic produce was concerned.

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In so far as imported goods were concerned, however, it was obviously necessary to make a searching examination of the existing customs tariffs and to produce a new tariff, not only reconciling them as far as possible, but also having regard to the differing economic circumstances and the development trends which we wished to encourage.

This task was undertaken by a Tariff Commission, preceded by a preparatory committee, whose report was thereafter considered in detail by committees of officials and of ministers. While this was going on the agreements with our neighbours in Southern Africa and with Australia were terminated, and fresh agreements negotiated in the light of the new tariff proposals. In spite of the difficulties involved, we managed to introduce the new tariff and the agreements with Australia and South Africa on 1 July 1955. In accordance with the undertakings we had given at the Ninth Session, when the Federation was accepted as a contracting party to the General Agreement on Tariffs and Trade, we brought these instruments before the Tenth Session of the Contracting Parties in October of last year.

Because of the differences of approach in the previously existing tariffs, and the fact that we have had to take into account trends as well as known conditions, we would not pretend that the tariff, as presented to the Contracting Parties in 1955, was the last word. It could not be regarded as static or inviolate, and I am grateful to the Contracting Parties for their sympathetic understanding of the situation, and for providing in the decision of 3 December 1955, that the provisions of Article I of the Agreement should not prevent the Federation from completing the process of adjustment of its tariff. This decision is made subject to the condition that the overall position in respect of preferences established on the applicable base dates is maintained and that future adjustments should not result in any particular margin of preference exceeding the highest applicable to any of our constituent territories on the relevant base dates.

I need hardly say that my Government unhesitatingly accepted those conditions and has consistently abided by them.

It was, I am afraid, inevitable in the making of the new tariff that we should break a few bindings negotiated previously by Southern Rhodesia. Although, in view of the making of our new tariff, we were unable to subscribe to the declaration of 10 March 1955, on the continued application of the schedules to the Agreement we preserved as many of the items as possible, and have willingly negotiated with countries concerned in items where we did not maintain the binding. I am happy to say that we have brought those negotiations to a successful conclusion in all but two cases, and in these I hope we are now at the final stage.

Concurrently with these negotiations, we have notified the Contracting Parties of our intention to extend a uniform tariff system to the whole of the Federation. The anomaly, in our rapidly developing economy, of maintaining two separate tariff regimes - one of which is applicable to not more than 5 per cent of the Federation's import trade - is only too obvious, and will, I have no doubt, be well appreciated by the representatives of the Contracting Parties. We are satisfied that the adjustment involved in correcting the position is consistent
with the General Agreement, and fully in accordance with the decision of the Tenth Session regarding our tariff. We propose simultaneously to make certain other adjustments to the advantage of countries to whom we extend most favoured nation treatment, and we have indicated our willingness to consult with any contracting party which feels that the action we intend taking may prejudice its interests.

I regard these proposals as the final stages in the making of a consolidated tariff for the Federation. The rest will simply be a matter of tidying up any minor anomalies which may appear, or of making alterations entirely within the framework of the General Agreement, in the exercise of the functional responsibility which is enjoyed by any member of the Contracting Parties. We will, therefore, on completion of these negotiations, be able to file a schedule of bound Federal duties to take the place of the bindings negotiated by Southern Rhodesia.

Let me say here that I am fully conscious of the undesirable effect quantitative restrictions have in preventing the free operation of the tariff to influence trade on the lines intended. The existence of such restrictions underlines the necessity of taking your time to complete the details of the tariff. The Federation of Rhodesia and Nyasaland has, in conformity with the General Agreement, worked consistently towards eliminating restrictions on imports, so that we now only restrict motor vehicles and secondhand clothing from countries falling in the GATT/OEEC group, and have made considerable relaxations during the past year in respect of imports from the dollar area. We shall make further relaxations as quickly as possible consistent with our balance-of-payments obligations.

The value of the GATT to a new and growing country has been amply demonstrated in its handling of our tariff, and I wish to assure you of my Government's full support for the objectives and the principles of the Agreement. We are very happy in our association with other contracting parties, and intend, to the best of our ability, to help in making GATT a workable and efficient instrument.

Our position has in many ways been unique, but I venture to suggest that, as political changes take place throughout the free world and new countries come seeking admittance to your company, there is something to be learnt from our experience. The situations which will develop are likely to be as difficult as they are important. The General Agreement, if it is to prove itself capable of meeting the requirements, will have to be administered with flexibility and realism. I have confidently expected that flexibility in dealing with our problems, and I feel sure it will - indeed it must - continue in the many other problems which arise in the field of international trade.