The following revised text has been received from the delegation of the Federation to replace the draft contained in pp. 103-106 of W.13/1.

Legal Basis of the Restrictions

The Control of Goods Act, 1954 (Act 12 of 1954), authorizes the Federal Government to control imports and exports. This Act gives the Governor-General the power, inter alia, to make regulations controlling the imports or exports of any goods and to grant powers to any Minister whom he may specify in such regulations to make orders controlling imports and exports of specific goods or classes of goods. Under these powers the Governor-General issued the Control of Goods (Import and Export) Regulations, 1954, which came into force on 1 April 1954. Under Section 4 of these Regulations the Minister of Commerce and Industry can make orders controlling the import and export of certain goods.

In the exercise of the powers conferred on him by the Control of Goods (Import and Export) Regulations, 1954, the Minister of Commerce and Industry has, from time to time, made orders which were consolidated in the Control of Goods (Import and Export) (Commerce) Order, 1955. In this Order the import of goods which are not the produce of the scheduled territories (i.e. the sterling area) or which, being the produce of the sterling area, are contained in a special list is forbidden except under licence. Other relevant Orders are the Control of Goods (Import and Export) (Commerce) (Amendment) Orders, Nos. 5 and 7 of 1957.

Policy of Restriction

Under the present control system, import restrictions are maintained on a limited sector of trade only. They bear less heavily on sterling and non-dollar non-sterling goods because of the balance-of-payments basis in relation to which account is taken of the position of the sterling area as a whole, as well as of the individual position of the Federation itself.

The import control policy is formulated by the Ministers of Commerce and Industry and of Finance.

Administration of the Restrictions

Import licences are of two kinds: open general licences and special licences. An open general licence designates goods or classes of goods which may be imported from defined areas or groups of countries without an individual, special licence. A special licence applies to a particular consignment of
goods. Special licences are issued by the Ministry of Commerce and Industry in Salisbury, and at the branch offices at Bulawayo, Lusaka, Ndola and Limbe. These licences are normally valid to cover importation within six months of the date of issue. However, licences for the importation of certain agricultural items are issued by the Ministry of Agriculture.

The grant of a licence gives the importer automatic right to the foreign exchange required to pay for the goods, including freight, insurance and allied charges.

Methods of Restriction

The import of certain goods is subject to licence regardless of the country of origin. These "Scheduled Goods" are: wheat, wheaten flour, wheaten meal, sugar and other specified agricultural products, margarine, jute grain bags, cement, gold, second-hand clothing, and clothing for military use, matches containing phosphorus, arms and ammunition, and radioactive elements. The control of the import of these goods is maintained to facilitate certain internal controls or to safeguard the fulfilment of the Federation's obligations under international agreements. Apart from this category of commodities all goods are admitted from the sterling area without a licence.

The import of all goods not being the product or manufacture of the sterling area is subject to licence. For most goods this requirement is met by the issue of open general licences which in effect exempt the imports covered from individual licensing control. The current OGL No. 2 of 1957, which came into force on 26 July 1957, has three sections, or Schedules, which provide, respectively, for the free importation of:

(a) specified products (anti-friction and lubricating grease, motor spirit, including aviation fuels, lubricating oils, mineral oils and fuel, power paraffin, exposed cinematographic film etc.) and certain types of imports (e.g. goods in transit, samples, re-imports, certain gifts, personal effects) originating in any non-sterling area country;

(b) all goods (except the "Scheduled Goods") originating in the OEEC countries and their dependent territories, and a few other countries;

(c) all goods, except those on a list of non-essential items, originating in countries in the dollar area.

All other imports are subject to individual licensing. For such imports originating in the dollar area the following standing arrangements are currently in force:
(a) for certain dollar imports, licences are granted half-yearly on a quota basis;

(b) for certain other dollar imports, licences are issued without limitation if imported for industrial purposes;

(c) for certain other dollar area products, import licences are not normally granted. This list of restricted goods is re-examined every six months by the authorities in consultation with Chambers of Commerce and the trade representatives of the countries concerned.

Treatment of Imports from different Sources

Different import control procedures apply to: (1) the sterling area, (2) member countries of the OEEC and a few other countries, (3) Japan, (4) other non-dollar GATT countries, (5) the dollar area, (6) the rest of the world. (The criterion in this regard is the country of origin rather than the country of consignment.)

(1) The sterling area: all goods of sterling area origin, except the "Scheduled Goods" which are restricted whatever their origin, may be imported freely under the authority of the Control of Goods (Import and Export) (Commerce) Order, 1955.

(2) OEEC countries: all goods originating in the member countries of the OEEC, in Finland, Israel, Lichtenstein or Morocco may be freely imported under the authority of the Open General Licence No. 2 of 1957, with the exception of the "Scheduled Goods".

(3) Japan: goods originating in Japan may be imported only under licence. Licences are being granted subject to quota limitations for piecegoods for clothing manufacturers, piecegoods for converters, and hardwoods; industrial haberdashery for clothing manufacturers is licensed freely without quota restriction.

(4) Other non-dollar GATT countries: goods originating in Brazil, Chile, Czechoslovakia, Indonesia, Peru and Uruguay may be imported only under licences, but licences are generally granted on application.

(5) The dollar area: for purposes of the control, goods of dollar area origin are treated as follows:

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1 The dollar area includes the following countries: Bolivia, Canada, Columbia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Republic of Honduras, Liberia, Mexico, Nicaragua, Panama, Philippine Islands, El Salvador, United States of America and any territory under the sovereignty of the United States and Venezuela.
(a) Imports under quota restriction: the import of certain goods of dollar area origin is subject to quota restriction. The goods and quotas in force for the period July to December 1958 (the same as for the two preceding licensing periods) are:

- Wheat £225,000
- Piecegoods for clothing manufacturers £100,000
- Stoves and washing machines £10,000
- Passenger and commercial motor vehicles £300,000

(b) Industrial imports: certain goods of dollar origin are admitted freely without limitation if they are imported for industrial purposes. These include raw materials for the manufacture of blankets, tapestry and ticking for furniture manufacturing, industrial haberdashery for the clothing industry, certain types of paper required by converters, plastic sheeting and strip and castors.

(c) Restricted imports: for a number of goods, which are listed in the Third Schedule to Open General Import Licence No. 2 of 1957, licences are normally not granted.

(d) All other goods (except "Scheduled Goods"): the import of such goods of dollar origin is under open general import licence.

(6) Other countries: except for the goods covered by the open general licence applicable to imports from all sources, imports from all other countries are subject to individual licensing.

Imports under State Trading

The Grain Marketing Board is the sole importer of maize, maize meal, groundnuts and a few other products.

The importation of creamery butter and all Cheddar and gouda cheese is reserved to the Dairy Marketing Board, a statutory marketing organization.

Proportion of Imports covered by each Import Procedure

On the basis of 1957 trade statistics almost 99 per cent by value of imports were made free of balance-of-payments import control or under open general or automatic licence, and the balance under special licences.