At the meeting of the Sub-Committee held on 28 October, 1946, the delegate for South Africa drew attention to the possible overlap of the word “transportation” in Article 9 and the terms of paragraph 4 of Article 10, and it was the intention of the South African delegation to raise the matter of differential railway rates on a State owned railway under the discussions on paragraph 10. It would appear, however, that this should have been raised under the discussions of Article 9. In order to avoid unnecessary waste of the Committee’s time, therefore, the following statement is submitted on behalf of that delegation, not for discussion, but in order that the South African delegation may reserve this point for future discussions:

In the Constitution of the Union of South Africa, it is provided that the South African Railways, which are State owned, should give due attention to the development of the agricultural, mineral and industrial production of the country, and this, in certain instances is done by granting certain South African products favourable railway rates. A further aspect is that, as a matter of ordinary railway policy, it is to the advantage of a railway to carry goods at sub-economic rates rather than return rolling stock empty. Here also South Africa’s produce reaps a benefit. Attention is, however, invited to the fact that these measures encourage international trade by lowering the price of the goods.
carried, and the type of goods is such as not to compete with imported commodities.

Agreements also exist whereby the produce of certain contiguous territories, beginning with the Rhodesias and extending as far northwards as Angola and the Belgian Congo, is carried at the same rates as South African produce. Here also it is contended that the effect is to assist contiguous inland territories in the matter of trade, and that no competition is established with commodities imported from other parts of the world.

The Southern States in Africa constitute a bloc isolated from the rest of the world, and any mutual assistance they may be able to afford each other should, in the long view, stimulate international trade.

In view of the complexity of this matter, and, as stated above, as it is bound up with the Constitution, the South African delegation wishes to reserve this point for future discussions.