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A.G. JARVIS.

CONF

8th May 1925.

CUSTOMS UNION.

Encloses copy of minutes of meetings of Committee which considered the Report of the Customs Conference held in March. Agrees with O.A. Kenya that complete Customs Union is desirable.

Previous Paper

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MINUTES

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GOVERNMENT HOUSE,
UGANDA

8th May, 1945.

Uganda Protectorate.

CONFIDENTIAL.

Sir,

With reference to the Acting Governor of Kenya's Confidential despatch, No. 82 of the 26th March, I have the honour to inform you that I caused the report of the Customs Conference held at Dar-es-Salaam in March to be considered by a Committee consisting of the Acting Chief Secretary, Attorney General, Treasurer, and the senior unofficial member of the Legislative Council.

2. I enclose, for your information, a copy of minutes of the meetings of this Committee, and, with reference to paragraph 3 thereof, I have to observe that I am entirely in agreement with the Acting Governor of Kenya that a complete Customs Union between the three dependencies is desirable, and ultimately inevitable.

I have the honour to be,

Sir,

Your most obedient, humble servant,

ACTING GOVERNOR

HONOURABLE

THE SECRETARY OF STATE FOR THE COLONIES,

&c., &c., &c.,

M I N U T E S

of Committee Meetings held at Kampala

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8.5.25 on April 3rd & 4th, 1925.

COMMITTEE:

The Honourable the Acting Chief Secretary,
CHAIRMAN.

The Honourable the Attorney General.

The Honourable the Treasurer.

The Honourable Dr. H.H. Hunter.

Secretary: Mr. D.F. Mace,
(Assistant to Commissioner of Customs).

The Chairman opened by explaining the object of the meeting: it was to discuss the Report of a conference held at Dar-es-Salaam on March 2nd to 8th, 1925, at which the Hon. Commissioner of Customs for Kenya and Uganda and the Comptroller of Customs for Tanganyika had put forward an agreed draft-scheme for operating a co-ordinated Customs service throughout the three territories.

2. The Hon. Treasurer outlined present procedure. He showed how, in the case of goods via Kampala Bond, the allocation of revenue was exact; but for other traffic the method of collecting statistics, although it was the best possible in the circumstances, did not necessarily ensure a fair allocation of revenue: this in spite of the fact that the administration of the Hon. Commissioner of Customs was perfectly equitable. The fact that guns, and similar dutiable belongings carried as baggage, are not entered on Lake manifests was instanced; and also the uncontrolled passage of motor-cars by road. The Hon. Treasurer held that there should be a separate Customs Audit, analogous to the Railway Audit. Dr. Hunter agreed that £5000 spent on such an Audit would be justified.

3. Dr. Hunter expressed the opinion that a unified central control was desirable, and this opinion was endorsed by the meeting. After a thorough examination of the alternative the meeting recorded its unanimous and very decided opinion that complete Customs union under one Head was desirable, both in the interests of administrative efficiency

efficiency and in the general interests of the Protectorate.

4. The Hon. Attorney General raised the question as to whether an identical Tariff was necessary; and after discussion it was agreed that it was necessary; The possibility of one territory wishing to give Tariff protection to its own particular industries was mooted. It was agreed that any future preparation or revision of a Tariff common to the three territories should be undertaken by a representative council on which Kenya, Uganda and Tanganyika should have equal voting power.

5. The Hon. Treasurer read out the Schedule to the Dar-es-Salaam Report and initiated a discussion on its practical operation.

6. The Hon. Dr. Hunter expressed doubt as to whether the introduction of so many new forms of compulsory Entry would be acceptable to the commercial community. He suggested that an effort might be made to ascertain the opinion of the public concerned under a similar Customs law in Rhodesia. In order to gauge local commercial opinion it was decided to invite Mr. A. J. Jones, President of the Kampala Chamber of Commerce, to attend. The invitation was given and accepted by him.

Mr. Jones attended on the 4th April, and was introduced to the subject. He was informed by the Chairman that his opinion was sought as to how certain proposed new Customs forms would be viewed by the commercial community.

The Hon. Treasurer outlined the general object of these proposals, explaining that the collection of accurate statistics would be advantageous to the finances of Uganda. As a result of superseding the present "margin" system, the receipts from Customs revenue would go up. He mentioned that similarly accurate statistics would be regarded as essential to the finances of Tanganyika Territory, and that if any drastic proposals for weakening the machinery of collection.

were introduced, the prospect of final sanction to the proposed scheme would be jeopardised.

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9. Mr. Jones dwelt on the enormous difficulty for the consignor in ascertaining the "landed value of goods at the place of first importation" as required in column B of Form A. In the case of broken-bulk goods which had changed hands several times the difficulty would be practically insuperable. The Hon. Dr. H. Hunter instanced similar difficulty experienced by merchants when Uganda had a separate Customs. The Hon. Treasurer point out that, so far as Uganda was concerned, the large majority of these forms would be prepared at Mombasa, where the difficulty was not insuperable. Moreover many, if not most, of the local importers had their Head Offices in Kenya.

10. The Hon. Treasurer added that, as no new formalities were contemplated in the case of Bonded traffic, there would be an inducement to make fuller use of the Kampala Bonded warehouse. Such a result would be welcomed by the Uganda Treasury, owing to the exactitude of statistics in respect of such traffic.

11. The Hon. Dr. Hunter concurred, and opined that the new arrangements proposed would encourage a system of through-booking to Uganda.

12. Mr. Jones agreed that the assurance of revenue allocation based on accurate statistics was an advantage which should be balanced by the public against the irksomeness of a revised Entry procedure. He noted the introduction of machinery for collecting statistics of inter-territory trade in domestic produce between Kenya and Uganda and admitted it would cause a certain amount of annoyance; but he regarded it as a reasonable proposition; the collection of such statistics would inevitably have become necessary as the countries developed.

Paragraph (g) of the Schedule ... and a question arose as to whether ...

/liable

liable to embarrassment under the time-limit (twenty-four hours) when a consignment of several packages arrived separately on different days. It was assumed that such embarrassment would be avoided by a procedure similar to that governing the distributed receipt of Bonded consignments.

14. The difficulty was discussed of declaring the exact value of imported materials included in articles of local manufacture. The Hon. Attorney General held that, on the assumption that "approximate" value was acceptable, the public would not be unduly harassed.

15. The subject of any reference to payment for Forms A, B, C, D and E was noted with approval.

16. The Committee and Mr. Jones agreed that the proposals for regulating Parcel Post were reasonable.

17. After further general discussion the Chairman invited Mr. Jones to give his opinion as to how the proposed scheme would affect the public, and how it would be received by the commercial community.

18. Mr. Jones expressed doubt as to the public reception of the new formalities, but inclined to the belief that there would be considerable annoyance. But he held that the interests of the individual must give way to the interests of Uganda. The public would soon get accustomed to the new procedure. Trade would benefit generally, and as a particular instance, a trade between Kampala, Buloba and Mwanza would be likely to develop quickly and considerably.

19. The Chairman thanked Mr. Jones for his useful evidence and information.

20. The Chairman then read out the proposed amendments to the Tanganyika Customs Ordinance and Regulations. They were scrutinised by the Hon. Attorney General, and their various applications discussed by the meeting.

21. No reason could be discovered for the proposed amendment to paragraph 144(b); and it was agreed to

query should be raised as to the need for such amendment.

22. Subject to a satisfactory settlement of the query contained in paragraphs 21, 22, 23, and in view of assumptions referred to in paragraphs 13, 14 and 15, a general approval was given to the Report and Schedule.

sd./ J.C.R. STURROCK,
Acting Chief Secretary.

sd./ S.S. ABRAHAM,
Attorney General.

sd./ C.K. DAIN,
Treasurer.

sd./ H.M. HUNTER.