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Report

drawn up on behalf of the Committee on Relations with African States and Madagascar

on the visit by a delegation of the European Parliament
from 17 to 20 January 1969 to the East African Community
at Arusha

Rapporteur : Mr. Bersani

ENGLISH EDITION *)

*) This translation must not be treated as an official text. Readers are reminded that the official texts exist only in the Dutch, French, German and Italian languages.

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From 17 to 20 January 1969, a delegation of the European Parliament, comprising Mr. Metzger, Chairman ; Messrs. Achenbach, Aigner, Bersani, Briot, Burger and Dewulf, made a fact-finding visit to the East African Community at Arusha (Tanzania).

On 23 January 1969, the President of the European Parliament authorized the Committee on Relations with African States and Madagascar to submit a report on that visit.

On 3 February 1969, the Committee on Relations with African States and Madagascar considered the results of the visit and appointed Mr. Bersani Rapporteur.

The motion for a resolution and attached explanatory statement were unanimously adopted by the Committee at its meeting of 28 February 1969.

The following were present : Mr. Vals, Acting Chairman ; Mr. Bersani, Vice-Chairman and Rapporteur ; Messrs. Achenbach, Aigner, Armengaud, Colin, Dewulf, Glinne, Hahn, Westerterp (deputizing for Mr. Schuijt).

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A

The Committee on Relations with African States and Madagascar hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

**Motion for a resolution
on the visit by a delegation of the European Parliament
to the East African Community at Arusha**

The European Parliament,

- (a) recalling its resolution of 1 October 1968 ⁽¹⁾ on the Agreement establishing an Association between the European Economic Community and the United Republic of Tanzania, the Republic of Uganda and the Republic of Kenya, signed at Arusha (Tanzania) on 26 July 1968,
- (b) welcoming the positive outcome of the visit made by its delegation from 17 to 20 January 1969 to the East African Community at Arusha,
- (c) desiring to strengthen relations between the EEC and the East African Community and the States which it comprises,
- (d) being convinced of the need to establish effective co-operation between the European Parliament and the parliamentary institutions in East Africa so as to ensure the gradual development of the Association by encouraging and supporting the activity of the Council of Association,
- (e) having regard to the report of the Committee on Relations with African States and Madagascar (Doc. 226/68),

1. Stresses the need for the Agreement of 26 July 1968 to come into force promptly;

2. Consequently calls upon the member States of the EEC to complete the procedure for ratifying this Agreement as soon as possible;

3. Requests the Council of the Communities that negotiations should, in the meantime, be initiated at once, in pursuance of Article 35 of the Agreement, for its renewal for a period coinciding with that to be agreed on for the new Association Convention of the African and Malagasy States;

4. Trusts that substantial progress may be made during this period in harmonizing the Association systems as between the EEC and Africa, with a view to developing inter-African relations and furthering co-operation between the main economic groups in Africa;

5. Trusts that, following the preliminary contacts that its President has been asked to make in pursuance of Article 28 of the Agreement, a joint body may be set up for inter-parliamentary contacts, whose function would be to give utterance to the wishes of the peoples and discuss the main problems of relations between East Africa and the European Community, and which would meet at least once a year;

(¹) Official Gazette No. C 108 of 19 October 1968, page 25.

6. Asks its President to forward this resolution and the report of its responsible Committee to the Council and to the Commission of the European Communities and, for information purposes, to the Presidents of the Parliaments of the member States of the East African Community, the East African Legislative Assembly and the Parliaments of the member States of the EEC.

B

EXPLANATORY STATEMENT

I—Introduction

1. Pursuant to the decision taken by the Bureau on 26 November 1968 on a proposal put forward by the Committee on Relations with African States and Madagascar, a delegation from the European Parliament made a fact-finding visit to the East African Community at Arusha (Tanzania) from 17 to 20 January 1969; this followed the Antananarivo meeting of the Parliamentary Conference of the EEC-AAMS Association.

2. The delegation, conducted by Mr. Metzger, comprised Messrs. Achenbach, Aigner, Bersani, Briot, Burger and Dewulf. It was asked to get into direct touch with the parliamentary authorities of the East African Community and its three member States, Kenya, Uganda and Tanzania. The purpose of this meeting was to make a preliminary survey of problems currently arising in connexion with the relations between the EEC and these countries, following the signing of the Association Agreement between the EEC and East Africa on 26 July 1968⁽¹⁾.

3. At the East African Community headquarters at Arusha, the delegation had the honour of meeting representatives of the East African parliamentary institutions at an important working meeting which took place in a very frank and friendly atmosphere. The meeting was presided over by the Hon. H. E. Sarwatt, Chairman of the East African Legislative Assembly, and attended by the Hon. J. Odero Jowi, Community Minister for Finance and Administration and Chairman of the Committee of Ministers, the Hon. Humphrey Slade, Speaker of the Kenya National Assembly, the Hon. Narendra Patel, Speaker of the Uganda National Assembly, and the Hon. Chief Adam Sapi Mkwawa, Speaker of the Tanzania National Assembly, as well as many members of these Assemblies and representatives of the Secretariat of the East African Community.

The discussion focused on:

- (i) the delay in the entry into force of the Association Agreement between the EEC and East Africa;

⁽¹⁾ Concerning the Association Agreement between the EEC and the United Republic of Tanzania, the Republic of Uganda and the Republic of Kenya, see the Report to the European Parliament by Mr. Moro, Doc. 136 of 30 September 1968.

- (ii) the problem of renewing this Agreement and the arrangements to be made for East Africa under the new Agreement;
- (iii) the implementation of the provisions of Article 28 of the Agreement concerning contacts at parliamentary level;
- (iv) the experience of the European Community and the East African Community in regard to economic integration;
- (v) the development assistance policy pursued by the EEC, particularly in connexion with the Association with the African States and Madagascar, signatories to the Yaoundé Convention.

At the close of the meeting, a communiqué was issued; this is appended to the present report (*Annex I*).

4. Bearing in mind the highly satisfactory results of the visit to Arusha, which afforded an opportunity for establishing very useful relations with the East African Community the delegation felt that the European Parliament should have a chance to state its position on the problems currently arising between the EEC and East Africa.

It is therefore worth assessing the situation five months after the debate held on these problems in October 1968, following the report by Mr. Moro on the Arusha Agreement.

The present report, which is drawn up with the prospect of the renewal of this Agreement in mind, also contains details of recent trends in the external trade of the three East African countries and of the structure and functions of the East African Community (see *Annex II*).

II—Current problems concerning relations between the EEC and East Africa

5. The Association Agreement between the EEC and the three East African States, which was signed at Arusha on 26 July 1968, has not yet come into force. Under Article 32 of this Agreement, it is still subject to parliamentary ratification by two of the six member States of the EEC—none of which has yet brought in the instruments of ratification.

The member States of the East African Community, on the other hand, have completed their own ratification procedures, which only involved the assent of the Heads of State, and they have filed the instruments of ratification with the Secretariat of the East African Community at Arusha, pending the exchange of instruments of ratification which is to take place in Brussels.

6. The European Parliament made critical reservations as to the procedure laid down in article 32 of the Arusha Agreement; it felt that the Agreement could have come into force much sooner if the elaborate ratification formalities in the six members States of the EEC had been waived. In paragraph 6 of its report on the Agreement, the Committee on Relations with African States and Madagascar considered that this Agreement falls exclusively within the competence of the EEC and could, therefore, have been concluded under Article 238 of the EEC Treaty by the EEC alone, i.e. without the participation of the national authorities of the member States.

As a result of this report, the European Parliament recorded that it would like the Agreement to enter into force as soon as possible.

The Committee on Relations with African States and Madagascar felt that Parliament should, once again, draw attention to the need for an early implementation of the Arusha Agreement and therefore called on the member States of the EEC to proceed to its ratification as soon as possible.

7. An early implementation of the Arusha Agreement is all the more necessary as, under Article 35, the Contracting Parties agreed that, one year prior to 31 May 1969 when the Agreement expires, they shall examine the provisions that might be made for a further period.

Quite apart from the odd situation arising from the fact that the negotiators included this provision in the Agreement, knowing that it was practically inapplicable—in view of the fact that the time interval between the signing and the entry into force of the Agreement would be less than one year—it is clear that the authors of the Agreement considered that a period of less than a year would not be enough to complete the negotiations for its renewal.

The European Parliament must therefore reaffirm its stand in favour of an early opening of negotiations so that these can be concluded before 31 May 1969. In its resolution of 1 October 1968, it requested that immediate steps be taken in order that on 31 May 1969 the Arusha Agreement may be renewed for the same period as that established for the new Association Convention with the African States and Madagascar.

8. It should also be recalled here that on 8 November 1968, the East African Mission in Brussels approached the EEC with a view to opening fresh negotiations. The East African Community considered that it would not be desirable to wait till the ratification procedure had been completed before beginning fresh negotiations; it felt that since the Agreement had already been signed by the nine Contracting Parties, this should provide an adequate legal basis for opening fresh negotiations.

Similarly, the East African Mission recalled that the Head of the EEC delegation had stated at the signing ceremony at Arusha that a joint committee should be set up to open talks on problems of common interest, even before the ratification procedure was initiated, let alone completed. The East African Community appointed its representatives to the interim committee some time ago. The European Community should also make the necessary arrangements so that a joint co-operation committee may be set up as soon as possible.

9. One problem that will not fail to arise at negotiations for renewing the Arusha Agreement is whether the East African States will take part in these negotiations as third parties or whether the EEC will grant to them the status of Associated States. The East African Community considers that when two groups of countries, which are already associated with the EEC, begin negotiations for renewing an association, no legal motive can be set forth to protect any one group *vis-à-vis* any other and that, consequently, the States signatories to the Yaoundé Convention should not, in future, enjoy protection *vis-à-vis* the States signatories to the Arusha Agreement.

The East African States therefore request the EEC that when the Arusha Agreement is renewed, they should not be regarded as third countries, even if the Agreement is then still not in force. In a statement appended to the Agreement, they have already stated that, in their opinion, the restrictions on 'sensitive' products (unroasted coffees, cloves and tinned pineapple) should not be included in the new association agreement. They consider that there should be no difference in future between the trading rules applied by the EEC to AAMS products and those applied to East African products.

10. Another interesting point which may arise when the Agreement is renewed is whether the EEC-East African Association ought not, in future, to cover the sphere of financial and technical co-operation.

11. One question which particularly held the attention of the European delegates at Arusha was the implementation of Article 28 of the Agreement, whereby:

'The Contracting Parties shall facilitate any contacts which may be established between, on the one hand, the European Parliament and, on the other hand, the Parliaments of the East African States and the East African Legislative Assembly.'

As stated in the communiqué published at the close of the meeting on 17 January (*Annex I*):

'All delegates were unanimous in their view that regular contact between Members of the European Parliament and of the Parliaments of the Partner States, as well as of the East African Legislative Assembly will be of very great value, to strengthen the relationship created by the Agreement, and to foster mutual understanding and sympathy between the countries concerned.

.....

It is necessary that parliamentarians from the two Communities cultivate some positive relationship which would help them, when called upon by their respective Governments to consider any Agreement of this kind, to do so with an intelligent appreciation of the underlying objectives, the policy position of each group, and all matters which have to be considered in relation thereto.'

No formal undertaking was finally entered into. Agreement was, however, reached on the principle of setting up a joint body for parliamentary contacts, in which representatives of both sides would meet at regular intervals. It was in particular, suggested that this body should meet at least once a year, alternately in Europe and in Africa, and that the chair should be taken alternately by an African parliamentarian and by a European parliamentarian.

The President of the European Parliament was asked, in a resolution of 1 October 1968, to make preliminary contacts with a view to creating the parliamentary co-operation machinery provided for in Article 18 of the Agreement. Further steps will have to be taken to this effect after the Agreement comes into force.

12. In this context, account should also be taken of the possibilities afforded by Article 2 of the Rules of Procedure of the Parliamentary Conference of the EEC-AAMS Association, whereby:

'The Conference may decide to admit as an observer not entitled to intervene or vote a representative of the Parliament of a State whose economic structure and production are States and which has established special comparable with those of the Associated links with the Community.'

ANNEX I

Meeting held between the European parliamentarians, the East African Legislative Assembly, Speakers of the partner State Parliaments and Members on 17 January 1969 at the Conference Hall, Arusha

At Arusha on Friday, 17 January 1969, there was a meeting of seven delegates from the European Parliament with the Chairman, six Members and the Clerk of the East African Legislative Assembly, the Minister for Finance and Administration and the Secretary-General of the East African Community, and the Speaker, two Members and the Clerk of each of the National Assemblies of Tanzania, Uganda and Kenya.

This was an informal meeting, which arose out of the Agreement for Association made between the European Economic Community and the partner States of the East African Community (i.e. Tanzania, Uganda and Kenya) in July 1968, and particularly Article 28 of that Agreement which provides that :

'The Contracting Parties shall facilitate any contacts which may be established between, on the one hand, the European Parliament and, on the other hand, the Parliaments of the East African States and the East African Legislative Assembly.'

The purpose of the meeting was preliminary consideration of the objects of any such contacts between the Parliaments concerned, the benefits which might be derived therefrom, and the methods whereby they could best be achieved.

All delegates were unanimous in their view that regular contact between Members of the European Parliament and of the Parliaments of the partner States, as well as of the East African Legislative Assembly will be of very great value, to strengthen the relationship created by the Agreement, and to foster mutual understanding and sympathy between the countries concerned.

Though decisions concerning the relationship of sovereign States with one another can only be made by their respective Governments, with subsequent

reference (where necessary) to their respective Parliaments for ratification, it is considered essential that Members of those Parliaments should themselves understand the background of such decisions, and the human and economic problems which they seek to resolve.

The value of the proposed contacts between the Parliamentarians of the East African Community and the European Economic Community will lie in helping to strengthen those economic and social objectives which they have in common. The two groups recognize that these objectives can only be achieved in an atmosphere of co-operation, understanding and peace which demand other contacts besides those at ministerial levels. It is necessary that Parliamentarians from the two Communities cultivate some positive relationship which would help them, when called upon by their respective Governments to consider any Agreement of this kind, to do so with an intelligent appreciation of the underlying objectives, the policy position of each group, and all matters which have to be considered in relation thereto.

It was not possible, in the short time available, to determine any precise machinery for further contacts of this kind ; nor could any final decision in that respect be made without prior reference to the Governments concerned. They may perhaps be best achieved by the establishment of some kind of Standing Committee of representatives of these Parliaments, meeting at stated intervals, or it may be found better to operate by way of exchange of delegations in some less formal manner. Such questions of procedure remain to be resolved ; but all delegates at this preliminary meeting were confident that they will be resolved, in such a manner as successfully to establish the regular contacts for which Article 28 of the Agreement provides.

Arusha, 18 January 1969

The external trade of East Africa in 1967

(Kenya, Uganda, Tanzania)

Taken all in all and with slight upward or downward variations from year to year, the trade position of the three East African States is fairly

stable. The figures since 1963 have been as follows (amounts expressed in thousand East African pounds)⁽¹⁾ :

	1963	1964	1965	1966	1967
Imports	145,028	153,376	179,959	219,594	212,950
Exports and re-exports	170,615	191,408	180,067	214,036	204,475

The trade positions of the three States taken individually are very different from each other; Kenya has a consistently adverse balance of trade, Uganda a consistently favourable one and Tanzania, on the whole, has a slightly adverse balance of trade.

Here are some details concerning the years 1965, 1966 and 1967 (expressed in thousand East African pounds, including re-exports) :

	Kenya		Uganda		Tanzania	
	Imports	Exports	Imports	Exports	Imports	Exports
1965	89,037	52,042	40,870	63,951	50,047	64,073
1966	112,396	62,308	42,947	67,118	64,251	84,610
1967	106,595	59,589	41,328	65,541	65,027	79,344

These differences stem from the fact that although Kenya's economy is much more active and diversified than those of its neighbours, it does not have any individual product which it exports on the scale of Uganda's exports of coffee, cotton and copper or Tanzania's exports of sisal, cotton, coffee and diamonds.

means of a tourist trade which makes Kenya one of the world's leading tourist areas.

Exports

It is, therefore, easy to understand why Kenya is so anxious to restore its balance of payments by

To simplify this table, we have shown only the agricultural, industrial or mining exports which yield a return of at least EA£1 million in at least one of the three countries.

Exports of East Africa

(in EA£1,000)

	Kenya		Uganda		Tanzania	
	1966	1967	1966	1967	1966	1967
Total	58,073	53,519	65,936	65,636	75,106	77,678
Meat and meat preparations	2,994	2,857	271	71	2,868	2,406
Maize	—	1,405	570	30	192	9
Cashew nuts	429	541	—	—	5,000	4,611
Coffee, unroasted	18,780	15,676	34,783	34,600	15,135	11,939
Tea	8,714	7,396	3,151	3,476	2,254	215
Oil-cakes	395	463	2,258	2,290	1,741	1,732
Tobacco, unmanufactured	—	—	128	34	805	1,678
Hides and skins	2,573	1,742	1,780	1,263	2,145	1,450
Cotton, raw	869	629	15,345	15,161	17,497	12,568
Sisal fibre and tow	3,340	2,064	4	—	11,734	10,046
Pyrethrum extract	2,396	2,423	—	—	1,442	1,460
Carbonate of soda	1,111	1,021	—	—	—	—
Wattle bark	1,454	861	—	—	479	482
Sisal cordage, rope and twine	128	195	5	4	665	1,185
Cement	842	1,006	52	65	63	182
Diamonds	—	—	—	—	9,000	11,147
Copper and alloys	419	—	5,753	5,467	—	—
Oil products	5,678	7,169	—	—	236	6,647

⁽¹⁾ The East African pound (EA£), which was not devalued, is worth approximately \$2.80.

Among the other leading exports where the value has not exceeded EA£1 million in the last two years, the following should also be noted :

- (a) butter, sold mainly by Kenya (£253,700 in 1967) ;
- (b) tinned pineapple : 6,000 tons (£545,000) sold by Kenya in 1967 ;
- (c) a certain quantity of groundnuts : 7,500 tons sold mainly by Tanzania ;
- (d) castor seed : 19,000 tons (mainly Tanzania) ;
- (e) simsim (sesame seed) : 10,000 tons (Tanzania and Uganda)
- (f) sunflower seed : 5,000 tons (mainly Tanzania) ;
- (g) timber, undressed or sawn : £600,000 in 1967, including £430,000 by Tanzania (sold in Africa) ;
- (h) some ivory, pyrethrum flowers (sold mainly by Kenya), wax, etc. and also cassiterite (Uganda and Tanzania), beryl (Uganda) and some gold (Kenya and Tanzania).

In regard to internal trade, the main exporter is Kenya whose geographical position gives it an advantage in relation to Uganda ; it was also earlier in the field industrially.

(i) In 1967 Kenya sold £14,795,000 worth of products to Uganda (£2,500,000 of petroleum products, £1,250,000 of clothing, milk, wheat and numerous industrial articles). Its sales to Tanzania amounted to £11,382,000 and were also highly diversified.

(ii) Uganda, for its part, sold a great deal to Kenya : £11,328,000. The main items were cotton fabrics (£2,313,000), sugar and confectionery (£1,242,000) and vegetable oils. It sold much less to Tanzania (£2,432,000—mainly fabrics).

(iii) Tanzania is in a less favourable position for intra-East African trade. In 1967 its sales to Kenya totalled £3,288,000 and those to Uganda £750,000.

External sales are fairly heterogeneous, as will be seen from the table which shows the main customers in 1967. These were more or less the same as in 1966, although there was a marked drop in USA purchases (£21.6 million instead of £28.4 million).

It should also be noted that neighbouring African countries (Burundi, Somalia, Congo, Ethiopia, etc.) or countries in the Middle East (Iraq, Iran, Pakistan, etc.) which were not included in this table, are regular and quite substantial customers of the East African States.

In order to illustrate these facts we are showing hereunder against the main products exported the names of the main importing countries :

Arabica coffee : USA (16,000 tons), Fed. Rep. of Germany (16,500 tons), Canada (7,500 tons), Sweden (7,500 tons), Saudi Arabia (6,600 tons), etc ;

Robusta coffee : USA (45,000 tons), United Kingdom (39,000 tons), Australia, Canada, The Sudan ;

Tea : United Kingdom (21,000 tons), USA (3,500 tons), Canada, The Sudan, Ireland ;

Cotton : Hong Kong (34,000 tons), Japan (19,000 tons), People's Republic of China, Fed. Rep. of Germany, The Netherlands, India ;

Sisal : United Kingdom (50,000 tons), The Netherlands (27,000 tons), Belgium (25,000 tons), Fed. Rep. of Germany, etc ;

Pyrethrum : Japan, Fed. Rep. of Germany, USA, United Kingdom ;

Carbonate of soda : New Zealand, Thailand, Pakistan, Singapore ;

Tanning extracts : Pakistan, People's Republic of China, Poland, United Arab Republic, Syria, India, etc ;

Oil-cakes : mainly the United Kingdom.

Customers of the East African States in 1967

(round figures in EA£1 million)

	Kenya	Uganda	Tanzania
Commonwealth	22.2	24.9	45.2
of which :			
United Kingdom	13.1	15.3	23.5
Canada	2.1	2.2	1.8
Hong Kong	0.34	1.4	5.6
India	1.2	2.7	5.2
Zambia	1.7	0.06	6.2
Other countries	26.1	39.8	32.2
of which :			
Belgium	0.4	0.7	2
People's Rep. of China	1.1	1.4	2.8
France	0.55	0.5	0.8
Fed. Rep. of Germany	4.9	2.3	4
Italy	1.4	1.6	2.1
Japan	1.2	5.8	3.4
The Netherlands	1.6	2.2	3.2
Poland	0.2	0.2	1
Saudi Arabia	0.6	0.5	1.1
Sweden	2.1	0.5	0.9
USA	3.6	14.1	3.9

Imports

The nature of imports emerges from a breakdown based on sections of the British customs nomenclature. These are as follows (in EA£1 million) :

Total imports : EA£212.9 million, broken down as follows :

- Section 0 (foodstuffs) : 11.2 ;
- 1 (beverages and tobacco) : 1.4 ;
- 2 (raw materials not including petroleum products) : 3.2 ;
- 3 (petroleum products) : 17.9 ;
- 4 (vegetable and animal oils) : 1.8 ;

- 5 (chemicals) : 15 ;
- 6 (manufactured goods classified chiefly by material) : 58.8 ;
- 7 (machinery and transport equipment) : 82.2 ;
- 8 (manufactured articles) : 13.9 ;
- 9 (miscellaneous manufactured articles) : 7.9.

An analysis of the percentage of each of these sections reveals no noteworthy anomaly. Imports of foodstuffs are, however, much lower than those of other African countries. Imports of petroleum products are rather high as are those of machinery and transport equipment, but those of manufactured goods are on the whole relatively slight.

Main imports of the East African States in 1967

(in EA£1,000)

	Kenya	Uganda	Tanzania
Sugar	510	—	—
Beverages	348	141	163
Wheat	155	148	149
Crude petroleum	9,454	—	3,392
Lubricating oils and greases	663	291	586
Fertilizers	1,600	401	583
Pesticides, etc.	862	159	398
Cotton goods	1,830	1,185	2,689
Artificial or synthetic fibres and fabrics	1,454	1,452	668
Rolled steels	3,890	1,312	1,517
Railway equipment	436	60	583
Tubes	766	510	4 010
Field Tractors (i.e. not road tractors)	1,277	508	872
Sewing machines	124	47	45
Radio and transistor sets	230	189	232
Private motor cars	4,742	1,966	1,304
Commercial vehicles	4,790	2,570	4,217
Clothing	839	769	713

Suppliers of the East African States in 1967

(round figures in EA£1 million)

	Kenya	Uganda	Tanzania
Commonwealth	45.1	18.1	25.9
<i>of which :</i>			
United Kingdom	35	14.2	18.8
Australia	1.4	0.3	0.3
Canada	0.7	0.24	1.7
Hong Kong	1.3	0.8	1.2
India	3.2	1.4	2
Pakistan	1.4	0.6	1
Other countries	57.4	21.7	37.7
<i>of which :</i>			
Belgium	2.2	0.8	0.6
People's Republic of China	0.9	0.8	3.1
France	3.8	1.6	2.5
Fed. Rep. of Germany	10.6	5.2	4.2
Iran	8.6	0.3	3.7
Italy	3.9	1.9	6.9
Japan	5.8	2.7	3.3
Netherlands Antilles	2.8	1	2.7
USA	7.7	2.8	4.9

The East African Community

1. *The East African Community* was established on 1 December 1967, following the signing in June that year of the Treaty for East African Co-operation by the President of Kenya, Mzee Jomo Kenyatta, the President of Tanzania, Mwalimu Julius Nyerere, and the Uganda President, Dr. Milton Obote.

It administers a complex of social, research, scientific and economic services formerly provided by the East African Common Services Organization. These include railways and harbours, posts and telecommunication services, civil aviation and meteorology, customs and excise collection, income tax collection and 12 agricultural, medical and industrial research centres scattered all over the three East African countries.

2. *The East African Common Market* forms the main organ of the East African Community and covers a wide range of activities including external and intra-East African trade, industrial development, currency and banking. Within the Common Market, Kenya, Tanzania and Uganda pledge to maintain a common customs tariff and avoid entering into agreements whereby tariff concessions entered into between one partner State with foreign countries will not be available to East Africa as a whole.

Free transit of goods within the area is guaranteed and there are declarations against internal tariffs and quantitative restrictions on goods from one East African country to another. There are rules against any discrimination of goods from one country to another in the Community and provisions for the removal of differences in the excise tariff.

To promote balanced industrial development in the three countries, Kenya, Uganda and Tanzania have declared they will harmonize fiscal incentives offered to investors. A transfer tax system which will operate for 15 years enables a country whose total trade in manufactured goods with another is in deficit to impose a tax on such goods coming from that country to a value equivalent to the deficit. There are however several rules governing the nature, rate and period for which such taxes are imposed.

3. *The East African Development Bank* gives financial and technical assistance in the promotion of industrial development in the three countries. It aims at financing wherever possible projects designed to make the economies of the three countries increasingly complementary in the industrial field and co-operating with other institutions interested in the industrial development of the countries.

4. *The E.A. Authority*, that is the three Heads of State, is the top Executive body in the Community. There are also three E.A. Ministers with no national responsibilities.

5. The Community has three secretariats which together with the office of the Secretary-General

and the E.A. Legislative Assembly form the *Central Secretariat*, whose headquarters are at Arusha, Tanzania. These are the Common Market and Economic Affairs, Finance and Administration, and Communications, Research, and Social Services. In addition there are five Councils which determine policy on specific avenues. These are Finance, Common Market, Communications, Research and Social Services, Economic Consultative and Planning. Each Secretariat is headed by an East African Minister, as is each Council. The Chairmanship of a Council is related to the Secretariat that a Minister heads.

6. *Four Corporations* operate under the Community—Airways, Harbours, Railways and the Posts and Telecommunications. A Development Bank, situated in Kampala, Uganda, also operates as an institution of the Community. The Community has a Legislative Assembly, a Common Market Tribunal, a Service Commission and an Industrial Court. Current membership of the Community is three, but Zambia, Ethiopia, Somalia and Burundi had applied to join and had been guaranteed at the inaugural Authority meeting at Arusha, that their applications would never be rejected.

7. *The history of the East African Community* goes back to 1948, when the East Africa High Commission was established to administer services of an inter-territorial nature on behalf of the Governments of Kenya, Uganda and Tanganyika. When Tanganyika was due to become independent in December 1961, delegates from the three Governments, the High Commission and an observer from Zanzibar, met in London in June 1961 to discuss the future of the services provided by the High Commission.

Agreement was reached on the need for continuing to provide jointly the services of the East Africa High Commission. The delegates also agreed that any arrangements to continue such services should not infringe Tanganyika's sovereignty when it became independent.

Following the discussions, the Governments of Kenya, Tanganyika and Uganda agreed to establish the East African Common Services Organization to replace and take over the functions of the East Africa High Commission. This reorganization became effective on 9 December 1961, the date Tanganyika became independent.

The East African Common Services Organization was governed by the Presidents of Kenya, Uganda and Tanzania who formed the East African Common Services Authority—the body ultimately responsible for the policy of the Organization. Responsibility for formulating policy in specified fields was delegated to five Ministerial Committees, each consisting of one Minister from the Governments of Kenya, Tanzania and Uganda. A Secretary-General was appointed by the Authority to be the principal executive officer of the Organization.

In November 1965, the East African Common Services Authority appointed a special Commission now commonly referred to as the Philip Commission consisting of three Ministers from each of the E.A. Governments to look into ways and means of strengthening E.A. Co-operation, the Common Market and Common Services.

The Authority appointed a high-ranking United Nations expert, Professor Kjeld Philip of Denmark, as the Commission's independent Chairman.

After several meetings in Nairobi, Kampala, Dar es Salaam and Arusha, the Commission submitted to the Presidents a Report on their findings. The Authority ordered that a Treaty for E.A. Co-operation based on the findings be drafted by the Commission and a team of lawyers.

On 6 June 1967 at Kampala the Presidents signed the Treaty for East African Co-operation establishing the East African Community, and a Common Market as an integral part of the Community, and set 1 December 1967 as the date on which the Community comes into force.

8. *The Community aims* at strengthening and regulating commercial and other relations of the partner States to secure an accelerated and balanced development and increased economic activity in the three countries. The three Heads of State agreed among other things to maintain a generally common customs tariff, to remove restrictions on trade between their countries, to operate services common to the three countries and to co-ordinate their economic planning and transport policies. The activities of the Community are financed by the three East African Governments through the General Fund, made up of a fixed percentage of the collections by the Income Tax, Customs and Excise departments throughout the three countries. The four corporations of the Community are self-supporting.

The general direction and control over the executive functions of the Community is exercised by the East African Authority. The three East African Ministers assist the Authority in the exercise of its executive functions and advise it on the affairs of the Community. There are three Deputy Ministers, one from each partner State, who assist the Ministers.

9. *The East African Legislative Assembly*, which consists of 36 members including the Secretary-General, the Counsel to the Community and a Chairman, legislates on all fields in the Community, and all Bills passed by the Assembly are assented to by the Authority. Among the 36 members there are nine members appointed by each of the three countries. The Chairman is appointed by the Authority, and the Secretary-General and the Counsel to the Community are ex-officio members.

10. The composition of the five councils differs in number but each of them includes the three East African Ministers.

The Common Market Council is the main organ in the Community which supervises the functions of

the Common Market and its development, and keeps its operations under review.

It is the responsibility of the Council to consider what can be done to help create closer economic and commercial links with other States, associations of States or international organizations.

The Council comprises the Ministers responsible for Finance, Commerce and Industry in the three East African countries, the Minister of Planning and Economic Affairs in Kenya and Tanzania, Uganda's Minister for Works, Communications and Housing, and the three East African Ministers.

There is also a Judicial Common Market Tribunal, composed of a Chairman and four members, whose function is to adjudicate on all matters concerning the Common Market. Only a partner State may make references to the Tribunal but the Common Market Council can seek its advice. The Tribunal's verdict is final and binding on all partner States.

The three East African Ministers, Uganda's Minister of Works, Communications and Housing, Kenya's Minister of Power and Communications and the Minister of Communications, Labour and Works in Tanzania form the Communications Council.

Its functions include providing a forum of consultation on communication matters, advising in the running of the Corporations within the Community and giving them directions of a general nature on matters of policy.

The Economic Consultative and Planning Council assists in the national planning of the three East African countries and advises the Authority on long term planning of the services shared by the three countries.

Apart from the East African Ministers, its composition includes Kenya's Ministers for Economic Planning and Development, Commerce and Industry, and Agriculture and Animal Husbandry; Uganda's Minister for Finance, Minister for Planning and Economic Development, and Minister for Agriculture, Forestry and Co-operatives; and the Tanzania Ministers for Finance, Economic Affairs and Development Planning, and Commerce and Industry.

The Finance Council, which consists of the three East African Ministers, together with the Ministers of Finance of the three countries, consults on major financial affairs of the Community and considers major financial decisions relating to the services administered by the Community, including their estimates and expenditure, and loan and investment programmes.

The Research and Social Council assists by consultative means in the co-ordination of policies of the Partner States and the Community on research and social matters.

Its members are the three East African Ministers, the Ministers responsible for Education in the three countries, the Minister for Agriculture and Co-operatives, and the Minister for Communications, Labour and Works in Tanzania; Kenya's Minister for Labour and Minister for Agriculture and Animal Husbandry (with the Minister of Health as an alternative; Uganda's Minister for Labour and

Minister for Agriculture, Forests and Co-operatives as his alternate).

11. *The Secretary-General* is the Principal Executive Officer of the Community and is appointed by the East African Authority. There is also a Counsel to the Community, appointed by the Authority after consulting with the East African Community Service Commission, and an Auditor-General. Three Civil Service Heads of the Secretariats are also appointees of the Authority.

Appointments to the Community are made by the East African Community Service Commission whose members are appointed by the Authority.

The Information Division of the Office of the Secretary-General is the publicity arm of the East African Community. It caters for what are generally termed the General Fund Services, that is all the services administered by the Community excluding the Corporations which have their own publicity machinery.