

OBSERVATIONS OF THE DEPARTMENT OF
STATE ON THE DRAFT TRADE AGREEMENT

BETWEEN
THE REPUBLIC OF AUSTRIA AND THE
REPUBLIC OF LIBERIA

1. The Agreement should contain a limitation on either Party re-exporting goods received from the other Party without obtaining permission from the country which exported it.
2. The Agreement should contain a provision explaining what is meant by origin of goods.
3. The Agreement does provide that payment should be effected in freely convertible currency. It is felt that a provision be included for payment to be also made in any manner agreed upon between the Parties.
4. The Agreement should contain a provision for each Party to freely admit to its territory goods on the list which should form a schedule to the Agreement.
5. The Agreement should contain a provision for the Parties to accord to each other most-favoured-nation-treatment with respect to duties, tariffs and taxes levied on goods imported from the other Party. The most-favoured-nation-treatment should also apply to custom formalities, use of ports and port facilities, etc.

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June 3, 1963

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Mr. Director-General:

The Department has received a letter from Ambassador Lawrence in which he transmits, for the attention of Government, a draft Commercial Agreement which he informs me is the result of discussions held between Secretary Tolbert and Dr. Pittermann, the Austrian Vice Premier.

I am enclosing the draft Agreement in order that your Agency may study it and let us have your observation. We have also studied the draft in this Department and wish to submit the following observations for your information:

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The Honourable
The Director-General
National Planning Agency
Monrovia, LIBERIA.

- 2 -

goods imported from the other Party. The most-favoured-nation-treatment should also apply to custom formalities, use of ports and port facilities, etc.

Very truly yours,



Wilmot A. David
UNDER SECRETARY OF STATE

WAD:HRWB:rmg.

7555/L

May 30, 1963

Mr. Acting Secretary:

The Department has received a letter from Ambassador Lawrence in which he transmits for the attention of Government a draft Commercial Agreement which he informs me is the result of discussions held between Secretary Tolbert and Dr. Pittermann, the Austrian Vice Premier.

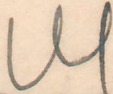
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The Honourable
The Acting Secretary of Agriculture & Commerce
The Department of Agriculture & Commerce
Monrovia - LIBERIA.

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Sincerely yours,



Wilmot A. David
ACTING SECRETARY OF STATE

WAD:OB/cvd

REPUBLIC OF LIBERIA
NATIONAL PLANNING AGENCY
MONROVIA

NATIONAL PLANNING COUNCIL
EXECUTIVE SECRETARY
63/959

OFFICE OF NATIONAL PLANNING
DIRECTOR GENERAL
June 11, 1963

Mr. Secretary:

I have the honour to acknowledge receipt of your letter Ref. 7676/L of June 3, 1963, in which you forwarded a draft copy of Trade Agreement between the Republic of Austria and the Republic of Liberia for our study and observation.

After reviewing the provisions of the draft agreement and the Department of State's observations as contained on the letter under reference we submit the following:

1. In examining the proposed agreement we made a comparative study of previous Trade Agreements that have been negotiated with the States of Israel, UAR, Mali, Senagal, Yugoslavia and Guinea and from all indications the proposed agreement with Austria is the briefest and narrowest compared with other agreements;
2. All of the Trade Agreement that were reviewed so far contained provisions to the effect that technical assistance and exchange of information will be undertaken between the contracting governments. Provision is not made for this in the Draft Austrian Trade Agreement;
3. No mention is made of duty free provision for sample goods, Trade Fairs and exhibits. All other agreements contain this clause. It is important enough that some provision be made in this respect;
4. The list of items of Liberian commodity for export to Austria should include timber. From all indications this particular product will become increasingly important as an item of export;

The Honourable
The Secretary of State, R.L.
Department of State
Monrovia

The Honourable
The Secretary of State

June 11, 1963

5. Article 2 - While Lists A and B are attached to the agreement there is no indication that they are part of the agreement. Some indications should be made to this effect.

The second paragraph of this article seems to be too restrictive. It should incorporate the idea that whatever licensing is required for the export or import of the commodities on List A & B shall be that of general application or in keeping with relevant laws and regulations. The paragraph might accordingly be worded as follows:

Both parties shall endeavour to ensure and extend to the other party all facilities regarding import and export of goods mentioned in Lists A & B including the issue of import and export licenses. Subject to all existing laws and regulations with respect to imports and exports which are in effect in their respective countries at the date of execution thereof, or which may come into effect during the validity of this agreement.

6. The State Department recommendation #2 which indicates that there should be no re-export of goods without prior approval of the country of original export is quite appropriate and some provisions should be made in the agreement to take this into consideration;
7. Under Article 4 the phrase "All payments" should be used instead of the word "Payments", i.e. the first word of the paragraph, since indeed, payments under this agreement will include payments for goods and services as well as all other "payments" that will facilitate the movements and flow of these goods and services;
8. The State Department recommendation #4 seems to suggest that goods contained on the schedule attached to this agreement should be admitted duty-free by the statement "Each party to freely admit". We should not recommend this. It would be more appropriate to state that provision should be made for the admission of goods on the list without restriction rather than freely;
9. A general Most Favoured Nation clause is necessary as suggested by the State Department in their recommendation #5. A clause covering contingencies such as Austria joining the Common Market or Liberia becoming a part of a special African grouping should be added. For reference see UAR, Mali, Senagal and Yugoslavia Trade Agreements.

Kind regards,

Faithfully yours,


D. Franklin Neal

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