

LEAGUE OF NATIONS

Advisory and Technical Committee for Communications  
and Transit

PERMANENT COMMITTEE ON PORTS AND MARITIME NAVIGATION

ENQUIRY CONCERNING THE MEANING ATTACHED  
TO THE TERM "COASTING TRADE"  
IN THE VARIOUS COUNTRIES.

In accordance with the request of the Advisory and Technical Committee for Communications and Transit, the Secretary-General of the League of Nations forwarded to Governments, under date of January 17th, 1930, a circular letter, as follows :

[C.L.5.1930.VIII.]

Geneva, January 17th, 1930.

At the request of the Chairman of the Advisory and Technical Committee for Communications and Transit, the Secretary-General has the honour to inform the . . . Government that the Advisory and Technical Committee, when examining the action to be taken on the work of the Third General Conference on Communications and Transit held at Geneva in August and September 1927, decided to refer for examination to its Permanent Committee on Ports and Maritime Navigation the question raised by the Japanese delegate in regard to the problem of maritime coasting trade. The Japanese delegate's proposal, as set forth in a subsequent memorandum addressed to the Chairman of the Advisory and Technical Committee, is that an enquiry should be made concerning the meaning which the different States attach to the term "coasting trade", and the laws and practices relating thereto.

In order to facilitate enquiries to be made by the Committee on Ports and Maritime Navigation, the Chairman of that Committee desires first to collect information, and, to this end, the Secretary-General has the honour to forward to the . . . Government a questionnaire on the subject of coasting trade. He would be very grateful if the reply could reach him before September 1st, 1930.

QUESTIONNAIRE.

1. What are the laws prescribing, limiting or defining the vessels that may be employed in the "coasting trade" ? Could a summary be given of such laws, regulations or other rules as are in force ?

2. If the coasting trade is reserved for the national flag:

(a) Is it absolutely reserved ?

(b) Is the right to engage in the coasting trade granted in certain cases to other flags temporarily, or permanently ? If so, to the flags of what States has it been granted and on what treaties or agreements is it based ? And under what condition as to reciprocity ?

3. Do vessels under the national flag employed in coasting trade enjoy preferential treatment? If so, in what form (for instance, reduction of harbour dues, towage charges, pilotage dues, lighthouse charges, etc.) ?

4. Do goods carried in the coasting trade under the national flag enjoy preferential treatment? If so, on what routes and under what condition (for instance, reduction of Customs duties in cases where the coasting trade might include carriage of goods between separate Customs territories) ?

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EXTRACTS FROM REPLIES OF GOVERNMENTS.

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**Albania.**

[Translation.]

August 25th, 1930.

1. In Albania it is more or less true to say that there are no laws or regulations prescribing, limiting or defining the vessels that may be employed in the coasting trade in Albanian ports.

2. The coasting trade is reserved for the national flag :

(a) It is not absolutely reserved.

(b) The right to engage in the coasting trade in Albanian ports is granted temporarily and on condition of reciprocity to vessels flying the Italian, Yugoslav and Greek flags. This is in pursuance of the provisions of the Treaties of Commerce and Navigation between Albania and Italy concluded in Rome on January 20th, 1924, between Albania and Yugoslavia, signed at Tirana, on June 23rd, 1926, and between Albania and Greece, signed at Athens, on October 13th, 1926.

Article 17 of the Albano-Italian Treaty of Commerce reads as follows :

“ Italian vessels shall, as at present, be allowed to carry passengers and goods from one Albanian port to the other.

“ As regards the unloading at Albanian ports of goods carried by vessels belonging to Italian shipping companies or shipowners, such goods may continue, as at present, to be delivered to Customs warehouses.”

Article 20 of the Treaty of Commerce and Navigation between Albania and Yugoslavia reads as follows :

“ The provisions relating to the assimilation of vessels of the two Contracting Parties may not be extended to the coasting trade, which shall continue to be reserved exclusively for the vessels of the country. Nevertheless, each of the two Contracting Parties shall immediately and unconditionally allow the vessels of the other to engage in coasting trade along its coasts in the event of this concession being accorded to the vessels of a third Power.

“ Likewise, vessels belonging to either of the two Contracting Parties which arrive from one of the national ports or from foreign ports with cargo or carrying passengers will be admitted into the territorial waters of the other Party, either for the purpose of unloading their cargo there or of landing passengers coming directly from foreign countries, or taking cargo consigned to foreign countries or for embarking passengers for foreign countries.”

Article 20 of the Commercial Treaty with Greece reads as follows :

“ The provisions regarding the assimilation of vessels of the two Contracting Parties may not be extended to the coasting trade, which shall continue to be reserved exclusively for national shipping. Nevertheless, either High Contracting Party shall allow the vessels of the other to engage in the coasting trade along its coasts if it has granted this concession to the vessels of a third Power.

“ Vessels flying the Greek flag shall be permitted to continue their present practice of conveying, between Albanian ports, passengers and goods of whatever origin or provenance. The Albanian Government agrees to encourage the establishment of regular Greek navigation services between Albanian ports and to ensure their normal and regular operation.”

All vessels flying the Italian, Yugoslav and Greek flags enjoy the same treatment as vessels flying the national flag, and the rates for harbour dues, towage charges, pilotage dues, health inspection dues and lighthouse charges are the same as for the above-mentioned flags.

All goods carried by vessels of the above-mentioned nationalities enjoy the same privileges and reductions of dues and are subject to the same Customs tariff as goods carried by Albanian vessels.

3. Vessels under the national flag employed in the coasting trade do not enjoy any preferential treatment.

4. Goods carried in the coasting trade under the national flag do not enjoy any preferential treatment.

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LN. VIII. 2(42)

[Distributed to the Council and  
the Members of the League.]

Official No.: **C.195.M.78.** 1931.VIII. Addendum.  
[C.C.T.476.]  
[C.C.T./P. & M./48.]

Geneva, August 1st, 1931.

LEAGUE OF NATIONS

**Advisory and Technical Committee for Communications  
and Transit**

**PERMANENT COMMITTEE ON PORTS AND MARITIME NAVIGATION**

**ENQUIRY CONCERNING THE MEANING  
ATTACHED TO THE TERM "COASTING TRADE"  
IN THE VARIOUS COUNTRIES.**

In accordance with supplementary information received from the Portuguese Government, the following provision should be added to the particulars given in document C.195.M.78.1931.VIII with regard to Portugal (page 18, paragraph 1):

As regards the coasting trade in the province of Mozambique, the application of the foregoing provisions is subject to the stipulations in existing treaties concluded by Portugal prior to the publication of the decrees regulating this matter. The application of the decree of November 21st, 1924, has, moreover, been suspended.

[Communiqué au Conseil  
et aux Membres de la Société.]

N<sup>o</sup> officiel: **C. 195. M. 78.** 1931.VIII. **Addendum.**  
[C.C.T.476.]  
[C.C.T./P. & M./48.]

Genève, 1<sup>er</sup> août 1931.

SOCIÉTÉ DES NATIONS

**Commission consultative et technique des Communications  
et du Transit**

COMITÉ PERMANENT DES PORTS ET DE LA NAVIGATION MARITIME

**ENQUÊTE SUR LA PORTÉE DE LA NOTION  
DU CABOTAGE DANS LES DIFFÉRENTS PAYS**

A la suite des renseignements complémentaires reçus du Gouvernement portugais, il y a lieu d'ajouter aux informations données dans le document C.195.M.78.1931.VIII en ce qui concerne le Portugal (page 20, paragraphe 1) la disposition suivante:

En ce qui concerne la navigation de cabotage dans la province de Mozambique, l'application des dispositions précitées se trouve subordonnée aux clauses des traités en vigueur conclus par le Portugal antérieurement à la publication des décrets réglant cette matière. L'application du décret du 21 novembre 1924 a d'ailleurs été suspendue.





### Australia.

July 4th, 1930.

1. The coasting trade of Australia is regulated by the provisions of the Commonwealth Navigation Act 1912-1926, Part VI of which deals with the matter. The following are extracts from Part VI of the Act :

“ 284. — This Part of this Act shall, except where otherwise expressed, apply to all ships (whether British or foreign).

“ 287. — (1) A ship shall not engage in the coasting trade which is receiving, or which under any arrangement is to receive, or which in the immediately preceding twelve months has been receiving, directly or indirectly, any subsidy or bonus from any Government other than that of a part of the British Dominions.

“ (2) Any payment for services *bona fide* rendered in the carriage of mails, passengers or goods, at rates based solely on the actual commercial value of these services, shall not be taken to be a subsidy within the meaning of this section.

“ 288. — (1) No ship shall engage in the coasting trade unless licensed to do so.

“ (2) Licences to ships to engage in the coasting trade shall be for such period, not exceeding three years, as is prescribed, and may be granted as prescribed.

“ (3) Every licence shall be issued subject to compliance on the part of the ship, her master, owner, and agent, during such time as she is engaged in the coasting trade, with the following conditions :

“ (a) That the seamen employed on the ship shall be paid wages in accordance with this Part of this Act ; and

“ (b) That, in the case of a foreign ship, she shall be provided with the same number of officers and seamen, and with the same accommodation for them, as would be required if she were a British ship registered in Australia or engaged in the coasting trade.

“ 289. — (1) Every seaman employed on a ship engaged in any part of the coasting trade shall, subject to any lawful deductions, be entitled to and shall be paid, for the period during which the ship is so engaged, wages at the current rates ruling in Australia for seamen employed in that part of the coasting trade, and may sue for and recover those wages.”

2. (a) The coasting trade is not reserved to the national flag. All ships, British and foreign, are placed on a footing of equality. (The term “ British ships ”, it will be noted, includes Australian-registered ships.)

(b) Unlicensed British ships are permitted to engage in the coasting trade only when a licensed ship is not available to perform the service.

The law provides, in effect, that a British ship can engage in the coasting trade under either of two sets of circumstances, (i) by obtaining a licence and complying with Australian conditions as to wages, accommodation, etc., and (ii) by obtaining a permit under section 286. Trading under a permit does not involve compliance on the part of the ship with Australian conditions as to rates of wages, hours, accommodation, etc. Foreign ships, on the other hand, may engage in the coasting trade only by obtaining a licence and by complying with local conditions.

3. No preferential treatment is granted by the Federal Legislature, either as regards light dues or in any other manner, to national vessels engaged in the coasting trade.

As regards port dues and similar charges, certain harbour and other local authorities differentiate in charges as between Australian registered and other ships. For example, at the port of Bunbury, in West Australia, Australian registered ships enjoy cheaper port dues, berthing dues, hire of mooring springs and watermen's fares than do other vessels, but no distinction of this nature is made at any other port. In all States, however, preference is granted to local ships in regard to the issue of certificates (pilotage exemption certificates) to masters possessing the necessary local knowledge and passing the prescribed examination entitling the vessels under their charge to enter and leave the port without a pilot.

4. No preferential treatment of any kind is granted, under either Federal or State law, in respect of goods carried in the coasting trade under the national flag.

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### Belgium.

[Translation.]

April 3rd, 1930.

1. No regulations exist in Belgium concerning “ the coasting trade ”. Article 232 of Book II of the Commercial Code defines “ foreign-going vessels ” (*voyage au long cours*). All voyages which are not voyages of foreign-going vessels within the meaning of this article are regarded as coming under the coasting trade.

2. The coasting trade is not reserved for the national flag.

3. Vessels under the national flag employed in the coasting trade enjoy no preferential treatment.

4. Goods carried in the coasting trade under the national flag enjoy no preferential treatment.

The absence of regulations concerning the coasting trade in Belgium is caused partly by the configuration of the country, which is not calculated to encourage the development of a national coasting trade, and partly from the protectionist measures put into force in neighbouring countries, the coast line of which is such as to encourage a coasting trade which they promote by means of preferential privileges granted to national vessels.

It is not, however, to be inferred from this absence of regulations that Belgium has no interest in this question. On the contrary, the international coasting trade is of particular interest to Belgium, in view of her geographical position.

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### Brazil.

[Translation.]

April 26th, 1930.

1. Article 13 of the Brazilian Constitution says :

“ Navigation in the coasting trade shall be effected by Brazilian vessels.”

The Regulations on the Mercantile Marine and Navigation in the Coasting Trade, approved by Decree No. 10524 of October 23rd, 1913, defines the coasting trade in Article 3 in the following terms :

“ By coasting trade, is meant the direct trade of national or nationalised goods between Brazilian maritime and river ports.”

Articles 16 to 19 of the same regulations lay down the conditions under which a vessel can claim to be regarded as Brazilian and the cases in which it loses this nationality.

2. The reservation is absolute in ordinary times. In cases of public calamity, war or blockade, however, the principle is modified. Thus, paragraphs (e) and (f), of Article 5 of the regulations mentioned, say that foreign ships may “ bring assistance by authorisation of the Government from one port of the country to another in cases of famine, pestilence or other calamity ”, and “ carry any cargo from one port to another in Brazil in cases of external war, civil disturbance and damage caused to the national shipping and maritime trade by the blockade of foreign forces, even if there has been no declaration of war, provided that the public authorities think fit ”.

In all circumstances, however, foreign companies are permitted to transport passengers between Brazilian ports.

3. Yes. Under the name of packet-boat privileges, ships belonging to undertakings or companies which comply with certain conditions, stipulated in Article 159 of the regulations mentioned, are granted the privileges enumerated in Article 157 — *i.e.* (i) the right to sail at any hour of the day or night subject to the provisions of the said regulations ; (ii) the right to be allowed to unload immediately, after the entrance inspections, without need to produce a Customs licence and without the revenue officials being present ; (iii) exemption from lighthouse charges ; (iv) exemption from charity contributions in all ports of the Republic ; (v) passport to be valid if the registration certificate has not been changed and if sufficient space is left for observations ; (vi) free sailing passes or permits subject only to the maximum Federal stamp of 1\$000 (1 milreis) ; (vii) reduction of 50 per cent in dock duties and mooring, loading and unloading fees to which foreign vessels are liable, subject to the observance of the agreements in force on the date of the promulgation of the regulations ; (viii) exemption in Brazilian ports from the double fee for loading, unloading and stowage of goods on Sundays and holidays in cases when the vessels were obliged to call at or remain in the ports on such days in pursuance of a schedule approved by the Government, the above being subject to the observance of the agreements in force on the date of the promulgation of the regulations.

4. No. Foreign goods carried in Brazilian steamers are subject to the same treatment as when carried in foreign vessels.

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### Bulgaria.

[Translation.]

March 28th, 1930.

1. There are no special laws in Bulgaria prescribing the vessels that may be employed in the coasting trade.

2. Under the law of February 13th, 1906, concerning coastal navigation, such navigation is reserved for the national flag.

(a) It is absolutely reserved in so far as the coasting service can be provided for by vessels flying the national flag.

(b) The right to engage in the coasting trade is granted to other flags annually when vessels flying the national flag are not sufficient in numbers to provide for such service at least twice a week.

3. Vessels under the national flag employed in the coasting trade do not pay harbour dues in respect of their stay in the ports at which they are registered. In all other places they pay all the charges provided for by the regulations on the subject.

4. Goods carried in the coasting trade under the national flag enjoy no preferential treatment. They pay all the duties and taxes which are required in such cases.

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### Canada.

March 19th, 1930.

1. Part XVI of Chapter 186 of the Revised Statutes of Canada, 1927, an Act respecting shipping in Canada and cited as the Canada Shipping Act, provides (Section 935) that :

“ No goods or passengers shall be carried by water, from one part of Canada to another, except in British ships.”

British ships, for this purpose, are defined as ships belonging wholly to persons qualified or entitled to be owners of British ships under the provisions of the Merchant Shipping Act of 1894, or any other Act of the Parliament of Great Britain in that behalf in force for the time being.

The Merchant Shipping Act of 1894 provides that a ship shall not be deemed to be a British ship unless owned by :

Natural-born British subjects ;  
Legally-naturalised British subjects ;  
Persons made denizens by letter of denization ; and  
Bodies corporate, established under and subject to the laws of His Majesty's Dominions and having their principal place of business in those Dominions.

It is provided that foreign-built British ships must obtain a licence to be entitled to engage in the coasting trade of Canada, and that such licence shall be issued upon application and upon payment of a duty of 25 per centum *ad valorem* on the value of the ship.

It is further provided that the Governor in Council may, from time to time order that the foregoing shall not apply specifically either throughout or in any specified waters of Canada to ships or vessels of any foreign country.

It is further provided that British ships may be licensed to navigate the inland waters of Canada, above Montreal, and may direct that a fee of 50 cents shall be payable for each such licence, and that any vessel navigating the said waters and not having a licence shall, on entering a Canadian port, pay a fee of 50 cents, if not over 50 tons burthen, and of one dollar, if more than 50 tons burthen, and a like fee on clearance, on each occasion.

2. (a) Yes.

(b) Yes, temporarily and occasionally, on inland waters only, to foreign-built British ships and to United States vessels, enabling them to load grain at Canadian ports for transport to other ports, either Canadian or United States, for winter storage on board and or for subsequent unloading. This is purely a domestic arrangement and is made at the instigation of the Board of Grain Commissioners for Canada to facilitate the movement of this commodity and to avoid undue congestion at the head of the Great Lakes.

3. No,

4. No.

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### Chile.

[Translation.]

July 19th, 1930.

1. The laws in force are as follows :

Law on the coasting trade No. 2841, of February 6th, 1922.

Regulations on the application of the law on the coasting trade, Decree by the Ministry of Finance No. 1035, of August 4th, 1922 (this defines the coasting trade as “ the transport of cargoes between ports of the Republic ”).

Law on tonnage No. 3219, of January 29th, 1917.

Regulations for the application of the law on tonnage, Decree No. 1303, of May 20th, 1919.

2. (a) The coasting trade is absolutely reserved for national vessels in regard to the transport of cargoes between the ports of the littoral. Foreign ships may carry passengers between the ports on the Chilean coast, provided they pay the tonnage duties laid down in the law and regulations on tonnage. The duty is \$1.50, per registered ton (the Chilean dollar being worth 6d).

(b) The right to engage in the coasting trade (transport of cargoes) is not granted temporarily or permanently to foreign vessels.



Article 1, paragraph 2, of the law on the coasting trade authorises the President of the Republic to grant the right to engage in the coasting trade on the Chilian coasts, subject to reciprocity, to the vessels of other South-American nations which grant a similar privilege to Chilian vessels.

3. National vessels enjoy no preferential treatment with regard to harbour dues, Customs duty, towage, lighthouse and buoyage dues and hospital charges, and are treated on the same footing as foreign vessels. With regard to pilotage and subsidiary pilotage, the general pilotage regulations, Decree No. 271, dated January 31st, 1930, contain the following provisions :

“ Article 3. — Pilotage is compulsory in the following cases only :

“ (a) Passage of the Kirke Channel (Straits of Patagonia).

“ (b) On entering and leaving certain ports.

“ Article 13. — Subsidiary pilotage (harbour works) is compulsory in certain cases :

“ (a) Mooring to and unmooring from buoys in certain ports.”

4. There are no special provisions applicable to the Chilian mercantile marine in this respect, either in the case of the coasting trade or of foreign navigation.

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### Costa Rica.

[Translation.]

January 28th, 1931.

The legislation of Costa Rica, so far as concerns the coasting trade, only contains the two following articles in the “ Fiscal Code ” dated October 30th, 1885 :

“ Article 7. — The coasting trade can be carried on only by national vessels, and such vessels cannot engage in the said trade when they have brought goods from foreign countries unless they have unloaded the whole of their cargo, in the port to which they were bound, on arrival.

“ Article 8. — National and foreign vessels after having unloaded the whole of their cargo, in the port to which they were bound, on arrival, can proceed to any point on the coast, for the purpose of taking on board national goods, even if there is no Customs office at the said point or no regular coasting trade there, provided that they obtain a permit from the responsible Administrator of Maritime Customs and that they comply with the regulations in force.”

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### Danzig.

[Translation.]

March 27th, 1930.

1. The coastwise goods trade is regulated, as far as the Free City of Danzig is concerned, by the German law on maritime coasting trade of May 23rd, 1881. <sup>1</sup>

2. Under this law, only national vessels have the right to engage in the maritime coasting trade. Foreign ships may be granted this right by international treaty or by decree. The coasting trade of foreign ships is, however, practically negligible as far as the Free City of Danzig is concerned, since there is very little foreign goods traffic on the short Danzig coast. Consequently, the Free City of Danzig has not concluded, so far, any treaties with regard to the coasting trade, or issued any decrees in this connection.

The above also provides a sufficient reply to Questions 3 and 4 of the Questionnaire.

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### Denmark.

[Translation.]

September 16th, 1930.

1. *Ordinances of September 1st, 1819, and September 5th, 1820.* — Under the provisions contained in these ordinances, the transport of goods between Danish ports by vessels the tonnage of which does not exceed 15 *Commercelæster* (a tonnage corresponding to 30 net register tons) is reserved for vessels owned by Danish subjects.

*Law of April 14th, 1865.* — Under this law, the Danish Government was authorised on condition of reciprocity to grant the right to engage in the coasting trade to vessels — whatever be their tonnage — whose home port is situated in a country entitled to preferential treatment

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<sup>1</sup> See Germany.



in its commercial relations with Denmark, provided that the foreign vessels in question comply with the general regulations in force with regard to the exercise of the coasting trade in Denmark.

2. (a) No.

(b) Under the provisions of Article 6 of the Law of November 30th, 1918, establishing the union between Denmark and Iceland, Icelandic vessels enjoy the same right to engage in the coasting trade in Denmark as Danish vessels.

Under the above-mentioned law of April 14th, 1865, the Danish Government granted vessels having their home port in the following countries the same right to engage in the coasting trade in Denmark as is enjoyed by Danish vessels :

Belgium (Exchange of Notes of August 12th, 14th and 31st, 1867) ;  
Mecklenburg-Schwerin (Declaration of September 7th-14th, 1867) ;  
North German Confederation (Declaration of February 17th-23rd, 1868).

Under the provisions contained in the following treaties, conventions, etc., concerning most-favoured-nation treatment, vessels having their home port in the following countries may also — whatever be their tonnage — engage in the coasting trade in Danish ports :

Dominican Republic (Treaty of Friendship, Commerce and Navigation of July 26th, 1852);  
Portugal (Declaration of December 14th, 1896) ;  
Yugoslavia (Commercial Declaration of November 30th, 1909) ;  
Bulgaria (Declaration of December 10th, 1909) ;  
Japan (Treaty of Commerce and Navigation of January 13th, 1912) ;  
Estonia (Exchange of Notes of September 7th, 1923) ;

Great Britain (Treaty of Peace and Commerce of July 11th, 1670). Nevertheless, British vessels cannot engage in coasting trade between the ports of the Faroe Islands or between those ports and the ports of Denmark proper ;

Spain (Convention of Commerce and Navigation of January 2nd, 1928).

3. No.

4. No.

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As regards Greenland, no vessels, either Danish or foreign, may visit these territories without a special permit, with the exception of certain districts on the east coast which are open to Danish and Icelandic vessels under an Ordinance of July 5th, 1924. These districts also are open to Norwegian vessels (Convention of July 9th, 1924) and to British and French vessels (most-favoured-nation treatment granted by Exchange of Notes of April 23rd-June 4th, 1925, and October 12th-19th, 1925, respectively).

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### Egypt.

March 23rd, 1930.

1. Annex V of the Commercial Convention entered into between the Egyptian Government and the Greek Government on March 9th-21st, 1895, to which the Foreign Powers have agreed, allows foreign vessels to trade between Egyptian ports if their tonnage exceeds 400 tons gross.

2. The coasting trade is, therefore, reserved to the national flag for craft of 400 tons gross and under.

The following eight classes of foreign vessels have, however, been allowed to ply between Egyptian ports and to be assimilated to coasters, although of less than 400 tons gross, provided they pay Customs dues on their value, as coasters do :

Fishing vessels, sponge-fishing vessels, vessels attached to the fishing fleets, vessels employed in the transport of fish, provisions, etc., vessels employed in the transport of provisions from Suez to " oil ports " on the Red Sea, vessels employed in transporting oil, vessels trading between Suez and El-Tor, and salvage vessels plying between Egyptian ports.

3. Coasting vessels pay one-half of the port dues payable by commercial vessels. Steam coasters enjoy a 25 per cent rebate in light dues, and sailing coasters pay monthly light dues of 375 *millièmes*. No reduction in pilotage dues is granted to coasters. Pilotage is optional in the Port of Alexandria, but is compulsory for vessels entering or leaving Suez basin. Fishing boats pay yearly light dues of 750 *millièmes*.

4. Goods transported by coasting vessels do not enjoy any preferential treatment and pay the usual Customs dues.

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### Estonia.

[Translation.]

February 13th, 1930.

1. Under Article 165 of the Commercial Law in force in Estonia, the right to engage in the coasting trade is exclusively reserved for Estonian nationals and ships flying the national flag.

Provisions confirming this rule without any exceptions are inserted in all Estonian treaties which grant national treatment to foreign vessels.

2. (a) It is absolutely reserved.

(b) The right to exercise the coasting trade is not granted to other flags in any case.

3. Estonian vessels engaging in the coasting trade are entitled to a reduction of harbour dues.

4. Goods carried in the coasting trade are entitled to a reduction of dues levied in respect of weight. In winter, such goods and the ships carrying them are exempted from all fees payable to ice-breakers.

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### Finland.

[Translation.]

September 25th, 1930.

1. As regards the coasting trade, Article 4 of the Law concerning the "Right to exercise a Profession", dated June 27th, 1919, states :

"The right to the coasting trade as between places in Finland is exclusively reserved for Finnish vessels."

In conventions on navigation concluded with Germany and certain other countries, it is, however, laid down that the provisions forbidding the coasting trade do not apply to navigation connected with Petsamo — that is to say, navigation from Petsamo to another part of the coast of Finland and *vice versa*. This clause only containing one interpretation of the term "coasting trade", all foreign vessels are unconditionally granted the right to carry on the coasting trade between Petsamo and other places on the coast of Finland, even should that right not be granted to them by a most-favoured-nation clause inserted in the conventions concluded with foreign countries.

Furthermore, it should be borne in mind that in conventions on navigation, concluded between Finland and foreign Powers, navigation on inland waterways is also reserved for the national flag. Thus this navigation is put on an equal footing with the coasting trade, even when there is no question of navigation between various places in Finland.

2. The coasting trade has always been reserved for the national flag.

(a) It is absolutely reserved.

(b) The right to engage in the coasting trade cannot be granted to other flags either temporarily or permanently.

3. Since the coasting trade under foreign flags is altogether forbidden, there is no reason to compare the duties payable by national vessels and foreign vessels.

4. For the reasons indicated in paragraph 3, questions concerning the treatment of goods carried under the national flag with those carried under foreign flags does not arise.

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### France.

[Translation.]

November 17th, 1930.

1. The coasting trade, for the purposes of French law, should be defined as navigation carried on over distances shorter than those which constitute distant voyages and longer than those which fall under the definition of "bornage".

The geographical limits of what constitutes a distant voyage were determined by the Law of June 14th, 1854, amending Article 377 of the Commercial Code, and by the Law of January 30th, 1893, Article 1, paragraph 2, concerning the protection of the Merchant Marine. Under these texts, distant voyages are held to be those extending beyond the following limits : To the south, the thirtieth degree of latitude north ; to the north, 72° N. lat. ; to the west, 15° of longitude from the meridian of Paris ; to the east, 44° of longitude from the said meridian.

An exception is made by the Law of April 19th, 1906, Article 15, amending the above-mentioned Law of 1893, to the effect that fishing voyages to the grand banks of Iceland shall be regarded as coastwise navigation.

“Bornage” shall be held to mean navigation of a vessel, the tonnage of which does not exceed 25 tons, with the possibility of touching at various intermediate ports between its home port and another given point, which must not be more than 15 maritime leagues from the home port (46 nautical miles) (Decree-Law of March 24th, 1852).

The coasting trade is itself divided into the “national” coasting trade and the “international” coasting trade, according to whether the voyage is between two French ports or between a foreign port and a French port.

This distinction is most important because under French law the national coasting trade is reserved for the French flag.

2. The national coasting trade is reserved for the French flag by Article 4 of the Decree of September 21st, 1793. The monopoly of navigation has since become even stricter. Spain had formerly the right to engage in the coasting trade between Mediterranean ports under the Family Compact (Treaty of August 15th, 1761), which was once more put into force by the Treaty of Paris of 1814. This right was abolished by the Treaty of December 8th, 1877. Italy also enjoyed a similar privilege under a treaty of commerce of June 13th, 1861; this privilege lapsed when the treaties of commerce were denounced and the Decree of October 21st, 1886, which abolished extra flag charges on Italian vessels, did not re-establish it.

Furthermore, at the time of the abolition of the Colonial Pact, navigation between France and Algeria was opened to vessels of all countries (Law of May 19th, 1866, Article 9). However, the Law of April 2nd, 1889, proclaiming Algeria as French territory, placed navigation between France and Algeria under the regime of the coasting trade and confirmed the monopoly of the French flag.

However, the first article of the Law of July 22nd, 1909, allows the Government provisionally to suspend by decree the application of the Law of 1889 in the case of exceptional circumstances.

During the war of 1914-1918, the Decree of May 29th, 1915, suspended the application of this law for the duration of the war, and after the peace the Law of October 20th, 1919, continued the suspension of the Law of 1889 for a period of two years and placed Tunisian and Moroccan vessels (French zone of the Shereefian Empire) on the same footing as French vessels.

The Decree of September 21st, 1922, also suspended the operation of this law during a strike among French maritime services. It was once more put into force by the Decree of November 25th, 1922.

All these texts have been re-cast and appear in Articles 398 and 399 of the Decree of December 28th, 1926, which codified the legislative texts concerning Customs. These articles read as follows :

“Article 398. — The coasting trade or transport of goods from a French port to another French port, including Algerian ports, is reserved for French vessels.

“For this purpose, vessels of Tunisian nationality and of Moroccan nationality (French zone of Shereefian Empire) are placed on the same footing as French vessels.

“Coasting trade from one Algerian port to another may be engaged in by foreign vessels if a permit is granted by the Governor-General.

“Article 399. — In the case of exceptional circumstances which temporarily interrupt maritime relations under the French flag between one or more ports of France and Algerian or Corsican ports, or *vice versa*, the Government may, by decree issued by the Cabinet and during all the time that this interruption lasts, suspend the application of Article 398 above-mentioned.

“It may also, in the same manner and during the same period, as an exception, grant the privileges to which they are entitled by their origin, to Algerian, Tunisian or French products which, as the result of the interruption of normal relations, cannot be imported into France, Algeria or Tunisia under the conditions laid down by the regulations. The advantages of this regime are exclusively reserved for products accompanied by a certificate of origin under the conditions laid down by the Customs administration.

“The advantages deriving from their origin may be granted to goods which are *en route* if it can be proved that they were despatched before the publication of the decree in the *Official Journal*.

“The return to the normal regime shall be decreed in the same manner as soon as circumstances allow.

“The provisions of the previous paragraphs shall apply to traffic between Corsica and the French mainland.”

It sometimes happens that shippers cannot find the necessary French vessels to carry on the coasting trade, which is reserved for the French flag. The Merchant Shipping Department in such cases grants permission for an exception to be made, such permission being only valid for the particular transport in question after an enquiry carried out in accordance with the provisions of the circular of May 8th, 1923.

3. No.

4. No.

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Germany.

[*Translation.*]

October 17th, 1930.

1. The law regarding the coasting trade dated May 22nd, 1881 (*Legal Gazette*, page 97) :

“ The right to load goods in a German seaport and transport them to another German seaport with a view to unloading them in the latter (coastal goods trade) is exclusively reserved to German ships.”

This right may be granted to foreign vessels by international treaty or by decree of the German Government with the approval of the Reichsrat.

The master of a foreign ship engaging without authorisation in the coasting trade will be liable to a fine. In addition to the fine, the seizure both of the ship and of the goods which it carries illegally may be ordered, irrespective of whether they belong to the person sentenced or not.

“ Existing treaty provisions regarding the coastal goods trade are not affected by the present law.”

According to the definition of the Law (*a*), the coastal goods trade is therefore in principle reserved to the German flag, but not the coastal passenger trade.

The coastal goods trade does not include the so-called “ stage traffic ” (*Staffelfahrt*), which consists in visiting several ports in succession in order to unload goods coming from abroad or to load goods for foreign countries. This trade, therefore, is not reserved for the German flag in German commercial treaties.

2. (*a*) No (compare 1).

(*b*) Temporary authorisation is not granted. The time-limits for denunciation contained in these treaties are applicable to the coasting trade.

The following countries are at present authorised by decree to engage in the coasting trade : Brazil, Denmark, Norway and the Netherlands.

The coasting trade is expressly authorised by treaty to Czechoslovakia.

Most-favoured-nation treatment in regard to the coasting trade has been agreed upon in commercial treaties with the following countries, subject to reciprocity :

Great Britain (Article 21, Treaty of Commerce, December 2nd, 1924) ;

Yugoslavia (Article 22, Treaty of Commerce and Navigation, October 6th, 1927) ;

Latvia (Article 1, Treaty of Commerce, June 28th, 1926) ;

Austria (Article 25, Treaty of Commerce, April 12th, 1930) (Treaty not yet ratified, January, 1931) ;

Union of South Africa (Article 19, Treaty of Commerce and Navigation, September 1st, 1928).

In the treaties with the following countries, Germany and the other contracting parties have, in principle, reserved the coasting trade to their own flag or legislation, but have promised each other most-favoured-nation treatment, subject to reciprocity, with regard to any privileges that may be granted :

Belgo-Luxemburg Economic Union (Article 11, Provisional Commercial Arrangement, April 4th, 1925) ;

Colombia (Article 2, Treaty of Amity, Commerce and Navigation, July, 23rd, 1892) ;

Greece (Article 24, Treaty of Commerce and Navigation, March 24th, 1928) ;

Haiti (Article 21, Treaty of Amity and Commerce, March 10th, 1930) (Treaty not yet ratified, January 1931) ;

Italy (Article 33, Treaty of Commerce and Navigation, October 31st, 1925) ;

Japan (Article 19, Treaty of Commerce and Navigation, July 20th, 1927) ;

Panama (Article 10, Treaty of Commerce and Navigation, November 21st, 1927) ;

Siam (Article 15, Treaty of Commerce and Navigation, August 6th, 1928) ;

Sweden (Article 16, Treaty of Commerce and Navigation, May 14th, 1926). Germany renounces most-favoured-nation treatment in the coasting trade in so far as Sweden has granted it to other nations in virtue of treaties concluded before January 1st, 1914, and Sweden will not claim the right to engage in the coasting trade in Germany as long as Germany does not exercise this right in Sweden.

With the United States of America (Article 11, Treaty of Amity and Commerce, December 8th, 1923) and Nicaragua (Article 16, Treaty of Commerce, February 4th, 1896) most-favoured-nation treatment with regard to the coasting trade has been agreed upon by treaty.

3. No.

4. No.

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### Great Britain and Northern Ireland.

May 1st, 1930.

There are no laws in the United Kingdom which can be said to limit or define the vessels employed in the coasting trade. Sections 437 and 438 of the Merchant Shipping Act, 1894, as amended by Section 7 of the Merchant Shipping Act, 1906, and Section 441 of the Merchant Shipping Act, 1894, contain special provisions regarding the marking of deck and load-lines, in the case of ships engaged in the coasting trade. Ships trading coastwise may also be exempted from compulsory pilotage by pilotage authorities under Section 11 (4) (i) of the Pilotage Act, 1913. Attention should, however, be drawn to Section 92 of the Merchant Shipping Act, 1894 (as amended by Section 56 of the Merchant Shipping Act, 1906) which prescribes that foreign steamships carrying passengers between places in the United Kingdom must comply with certain requirements. Under the provisions of Section 78 of the Merchant Shipping Act, 1906, the Board of Trade have power to exempt foreign vessels from these requirements under certain conditions.

The main distinction drawn by the Merchant Shipping Acts, is, however, between home-trade and foreign-going ships, a home-trade ship being defined in Section 742 of the Merchant Shipping Act, 1894, as a ship employed in trading or going within the following limits, that is to say, the United Kingdom, the Channel Islands and Isle of Man, and the Continent of Europe between the River Elbe and Brest inclusive. While the requirements for home-trade ships vary in certain respects from the requirements for foreign-going ships (*i.e.*, in regard to agreement with the crew, engagement and discharge of crew, certificated officers, etc.), there is no distinction between British and foreign vessels as such.

In the circumstances above explained Question 2 does not arise and the answers to Questions 3 and 4 are in the negative.

It should be noted, however, that Sections 324-7 of the Customs Consolidation Act, 1853, give certain powers to restrict the privileges of foreign ships and to impose additional duties on those ships or on goods carried in them where the countries concerned impose prohibitions or restrictions on the voyages in which British ships may engage or otherwise discriminate against British ships.

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### Greece.

[Translation.]

June 3rd, 1930.

1 and 2. Under the Royal Decree of 1836 concerning commercial navigation, which has force of law, except in cases where, on condition of reciprocity, conventions signed by Greece provide otherwise, vessels flying the national flag have the exclusive right to carry native products from one port of the country to another.

Furthermore, under the clause of Article 9 of the Statute on the international regime of maritime ports (Geneva, December 9th, 1923), authorising her to do so, Greece has reserved the coasting trade for the national flag in the treaties of commerce and navigation which she has concluded in recent years.

The contracting parties have, however, guaranteed each other most-favoured-nation treatment in this respect on condition of reciprocity.

In practice, and although the above-mentioned Decree does not stand in the way, the right to engage in the coasting trade is at present not recognised in Greece to any foreign flag. Thus, by the coasting trade in Greece is understood the carriage of goods which are either native or naturalised Greek and of passengers under the national flag from one Greek port to another.

There are no regulations defining what Greek vessels may be employed in the coasting trade. Any craft flying the Greek flag and complying with the conditions generally required in respect of safety of passengers and cargo can engage in such trade.

3. Vessels limiting their voyage to the ports of the country and not proceeding to foreign countries (*petit cabotage*) are allowed a reduction on sanitary dues, lighthouse charges and pilotage dues.

No account is taken of the flag in respect of the granting of preferential treatment. Foreign vessels would enjoy the same treatment, if, under the conditions stated above, the right to engage in the coasting trade were extended to them.

4. Goods carried in the coasting trade under the national flag enjoy no preferential treatment.

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### Haiti.

[Translation.]

May 20th, 1930.

1. Section 18 of the Law of September 4th, 1905, concerning Customs; Article 50 of the Law of August 9th, 1926.

2. The right to engage in the coasting trade is granted by the services concerned to all foreign flags in certain clearly defined cases. Vessels to which this is granted are completely free from all dues.

3. Vessels intended for the coasting trade desiring to quit the territorial waters for voyages to neighbouring islands will be subject to all the provisions of the law concerning foreign-going merchant vessels with a view to protecting the interests of the fiscal authorities. Nevertheless, such coasting vessels are not liable for light dues, pilotage dues and charges for sanitary inspection.

4. Foodstuffs or products consigned to foreign countries on coasting vessels and the goods which they import from foreign countries are liable for Customs duties.

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**India.**

April 28th, 1930.

1. The coasting trade of India is open to all comers under the provisions of the Indian Coasting Trade Act, 1850 (V, of 1850).

2. As the Indian coasting trade is not reserved for the national flag, the questions asked do not arise.

3. No.

4. No.

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**Irish Free State.**

March 24th, 1930.

1. There are no laws in force in the Irish Free State prescribing, limiting or defining the vessels that may be employed in the coasting trade.

Every Irish Free State ship exceeding 15 tons burden, before being employed in the coasting trade, must, however, be registered in accordance with the provisions of the Merchant Shipping Acts and, if not so registered, will not be granted by the Customs authorities a *transire*, which, in effect, is a certificate permitting the vessel to make a coasting voyage.

2. The coasting trade is not reserved for vessels flying the national flag.

3. Vessels under the national flag employed in coasting trade do not enjoy preferential treatment.

4. Goods carried in the coasting trade under the national flag do not enjoy preferential treatment.

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**Italy.**

[*Translation.*]

May 6th, 1930.

1. The coasting trade between the ports of Italy is governed by the single article of Law 355, of July 11th, 1904, which reads as follows :

“ The exercise of the coasting trade along the shores of Italy and the maritime service of the ports, roadsteads and beaches of the country are reserved for the national flag, except as otherwise laid down in special treaties or conventions.”

2. (*a*) The reservation of the coasting trade for the national flag is not absolute, since the law provides that this trade may be engaged in by other flags in virtue of special treaties or conventions.

Italy, like other States, has concluded bilateral agreements governing the exercise of the coasting trade and answering to the special requirements of the contracting States.

(*b*) The nations which in virtue of the treaties in force are expressly permitted, subject to reciprocity, to engage in the coasting trade along the shores of Italy are the following :

Denmark. — Article 8, Treaty of Commerce and Navigation, May 1st, 1864 ;

Honduras. — Article 7, Treaty of Commerce and Navigation, December 31st, 1868 ;

Norway. — Article 3, Treaty of Commerce and Navigation, June 14, 1862, concluded with the United Kingdom of Sweden and of Norway ;

Netherlands. — Articles 3 and 4, Treaty of Commerce and Navigation, November 24th, 1863 ;

Sweden. — Article 3, Treaty of Commerce and Navigation, June 14th, 1862, concluded with the United Kingdom of Sweden and of Norway ;

Tunisia. — Article 7, Treaty of Commerce and Navigation, September 28th, 1896.

The authorisations are not of a temporary character but remain in force as long as the contracting parties do not revise or denounce the special treaties.

3. Italian vessels, as well as foreign vessels assimilated thereto in virtue of treaties, which engage in the coasting trade enjoy special treatment only in regard to anchorage taxes.

On the basis of Law No. 318, of July 23rd, 1896 (Article 20), modified by Royal Decree-Law No. 2284, dated December 28th, 1924, Italian steamships, and foreign steamships assimilated thereto in virtue of treaties, which anchor in a port or roadstead or at a beach in Italy for commercial purposes are obliged to pay the following anchorage taxes :

- (a) Three lire per ton of their net tonnage, if they come from abroad ;
- (b) One lira, if they ply exclusively between the ports, roadsteads and beaches of Italy (coasting trade).

No other privileges are granted by the laws in force to Italian vessels and assimilated foreign vessels which engage in the coasting trade.

4. Goods carried in the coasting trade under the Italian flag enjoy no preferential Customs treatment.

### Japan.

[Translation.]

November 18th, 1930.

1. A definition of the vessels that may be employed in the coasting trade in Japan is given by the " Shipping Law ", Article 3 of which states :

" Only Japanese vessels may carry passengers and cargo between Japanese ports unless special provisions appear in laws of treaties or a special permit is granted by the Minister of Communications."

In Article 1 of the said Law, the following are recognised as Japanese vessels :

- (a) Vessels owned by the Government or official authorities of Japan ;
- (b) Vessels owned by Japanese subjects ;
- (c) Vessels belonging to commercial companies having their headquarters in Japan, on condition that all the partners in the case of joint-stock companies, and all the partners with unlimited liability in the case of limited partnership companies and partnership share companies, and all the directors in the case of limited companies, be Japanese subjects ;
- (d) Vessels belonging to persons at law, with headquarters in Japan, all the representatives of which are Japanese subjects. In the case of vessels belonging to limited-partnership companies incorporated in accordance with the provisions of the former commercial code, they shall be regarded as Japanese when all the persons responsible for the management of the affairs of the said companies are Japanese subjects.

2. Even when the coasting trade is reserved for the national flag :

- (a) It is not absolutely reserved.
- (b) The right to engage in the coasting trade can be granted to other flags ;

I. By special provisions in legislation (Article 3 of the Shipping Law). Nevertheless, there is no provision of the law in force granting foreign vessels the right to engage in the coasting trade ;

II. By special clauses in treaties (Article 3 of the Shipping Law) :

(1) No treaty grants this right to foreign flags, but most-favoured-nation treatment is provided for in the following treaties :

A. Article 13 of the Treaty of Commerce and Navigation concluded in 1911 between Japan and the United States of America (this clause is, however, interpreted as being conditional) ;

B. Article 12 of the Treaty of Commerce and Navigation concluded between Japan and Belgium in 1924 (conditional clause) ;

C. Article 19 of the Treaty of Commerce and Navigation concluded between Japan and Germany in 1927 (reciprocity) ;

D. Article 14 of the Treaty of Commerce and Navigation concluded between Japan and Latvia in 1925 ; Article 2 of the Supplementary Convention concluded in 1925 between Japan and Great Britain (reciprocity in cases in which reciprocal conditions are required by the laws and decrees of one of the contracting parties or by treaties concluded with third powers) ;



E. Article 15 of the Treaty of Commerce and Navigation concluded in 1912 between Japan and Denmark; Article 15 of the Treaty of Commerce and Navigation concluded between Japan and France in 1911; Article 13 of the Treaty of Commerce and Navigation concluded between Japan and Norway in 1911; Article 10 of the Treaty of Commerce and Navigation concluded between Japan and Peru in 1895; Article 13 of the Treaty of Commerce and Navigation concluded between Japan and Siam in 1924; Article 14 of the Treaty of Commerce and Navigation concluded between Japan and Sweden in 1911; Article 19 of the Treaty of Commerce and Navigation concluded between Japan and Mexico in 1924 (unconditional);

F. Article 9 of the Treaty of Commerce and Navigation concluded between Japan and Ecuador in 1918 provides treatment equivalent to that given to nationals of European and American countries (unconditional);

(2) Article 19 of the Treaty of Commerce and Navigation concluded between Japan and Germany in 1927; Article 2 of the Supplementary Convention of 1925 between Japan and Great Britain; Article 14 of the Treaty of Commerce and Navigation concluded between Japan and Latvia in 1925 lay down that transport from one port to another of one of the contracting countries of passengers provided with through tickets or of goods shipped on through bills of lading shall not be regarded as constituting the coasting trade;

III. By special permit of the Minister for Communications (Article 3 of the Shipping Law). Should a special permit for the coasting trade be recognised as necessary (for the purpose of encouraging tourist traffic, for reasons of international courtesy, etc.), it is granted to certain ships for a fixed period and between certain ports of call.

3. Vessels engaged in the coasting trade under the national flag enjoy no preferential treatment.

4. Goods carried in the coasting trade by national vessels enjoy no preferential treatment.

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#### Latvia.

[Translation.]

May 23rd, 1930.

1. Article 2 of the Law concerning the right to the coasting trade, published March 16th, 1923, reads as follows:

“Article 2. — In territorial and inland waters navigation is only allowed in the case of vessels belonging to Latvian nationals or to companies consisting of Latvian nationals.

“Note. — Should a vessel or part of a vessel belonging to Latvian nationals be acquired through inheritance by a foreign national, one year after the decease of the testator the vessel forfeits the right to engage in navigation in the coastal and inland waters of Latvia.”

2. The right to the coasting trade being thus exclusively reserved for the national flag, the other points of the questionnaire do not arise so far as Latvia is concerned.

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#### Lithuania.

[Translation.]

September 6th, 1930.

The Lithuanian Government has not so far published any laws regarding the coasting trade, as this question is not at present of any great importance to Lithuania.

The laws of the former Russian Empire<sup>1</sup> concerning the coasting trade remain in force in the part of Lithuania which was formerly under Russian sovereignty and the German<sup>2</sup> laws in the Memel Territory.

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<sup>1</sup> Russian Commercial Code (Book II, Section II<sub>4</sub>: “Commercial Navigation”: Chapter I. — “The Right to Navigate”) contains the following provision:

“184. — Only Russian subjects and vessels flying the Russian flag have the right to exercise the coasting trade, that is to say, to carry goods or passengers from one Russian port to another Russian port situated on the same sea.

“Note. — The fact that a ship proceeds from one Russian port to another shall not be regarded as coasting trade if the two ports are situated on different seas — for example, from a port on the Black Sea or White Sea to the Baltic or *vice-versa*.

“Note. — The Governor-General of the Amur province is authorised, as an experiment, to permit foreign nationals to exercise the coasting trade in the Amur country, should it be necessary, for a period of ten years, special dues being levied on such coasting trade.”

<sup>2</sup> See Germany.



### Mexico.

[Translation.]

March 24th, 1930.

1. Article 99 of the Customs Law at present in force says :

“ Mexican vessels only have the right to engage in the coasting trade except in cases in which, in the interests of the public welfare, the Communications Department grants a special permit to a foreign vessel to engage in such trade.”

With regard to the maritime transport of passengers between Mexican ports, this question is governed by the Decree of June 11th, 1925, and the Regulations referring to the said Decree.

Under these provisions, the transport of passengers by sea is reserved to Mexican vessels except when authorisations are granted to foreign vessels in special cases.

2. (a) The coasting trade is not absolutely reserved for the national flag.

(b) The right to engage in the coasting trade between Mexican ports is only granted by the Communications Department to foreign vessels in certain cases when the interests of the public so require, but neither temporary nor permanent permits are granted. The authorisations mentioned are granted irrespective of the nationality of the vessels, and there are no treaties or agreements in existence under which the Mexican Government is obliged to permit foreign vessels to engage in the coasting trade between Mexican ports in particular cases.

3. Mexican vessels engaging in the coasting trade are exempt from the payment of duties on entering or leaving port, and also from registration duties and navigation patents. There are no buoyage charges, pilotage dues or lighthouse charges. As regards pilotage, pilots are paid a fee for their services by the charterers of the vessels they conduct.

4. Goods conveyed in the coasting trade under the Mexican flag enjoy no preferential treatment as compared with those carried in the same traffic by foreign vessels when permits are granted to the latter for this purpose by the Communications Department.

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### The Netherlands.

[Translation.]

September 5th, 1930.

1 to 4. So far as concerns the Netherlands, the Crown, under Article 8a of the Law of August 8th, 1850, as amended by the Law of July 29th, 1912, reserves the right to forbid the exercise of the coasting trade to vessels of States in which the exercise of the coasting trade is forbidden to Netherlands vessels. There are no royal decrees issued in virtue of this legal provision. The treaties of commerce and navigation concluded between the Netherlands and other States provide that the contracting parties reserve the right only to allow the exercise of the coasting trade by national vessels, or else state that the provisions of the treaty shall not apply to the coasting trade.

### THE NETHERLANDS INDIES.

1 and 2. The provisions concerning the exercise of the coasting trade in the Netherlands Indies are the following :

(a) Article 184 of the Constitution of the Netherlands Indies (Law of June 23rd, 1925 ; *Netherlands Legal Gazette*, 1925, No. 327 ; *Legal Gazette of the Netherlands Indies*, 1925, No. 447).

(b) Articles 6 and 8a of the law of August 8th, 1850 (*Netherlands Legal Gazette*, 1850, No. 47 ; *Legal Gazette of the Netherlands Indies*, 1850, No. 42) ; as modified by the Law of July 29th, 1912 (*Netherlands Legal Gazette*, 1912, No. 208 ; *Legal Gazette of the Netherlands Indies*, 1912, No. 477).

(c) Decree of September 20th, 1912 (*Legal Gazette of the Netherlands Indies*, 1912, No. 479).

Under these provisions, by coasting trade shall be understood the transport by water of goods loaded in a port situated in territory under the direct administration of the Government and consigned to another port situated in the said territory, and the unloading of the said goods in the second port.

Therefore, navigation between the so-called “ native ” ports which are situated in the territory of the autonomous native States and navigation between such ports and a port situated in the territory under the direct administration of the Government do not come under the regulations concerning the coasting trade in the Netherlands Indies. So far as admission is concerned, these ports have been assimilated to ports open to general traffic situated in the territory under the direct administration of the Government.

A distinction should be made between :

(1) Coasting trade between ports open to general traffic. The coasting trade between such ports may be carried on, not only by Netherlands vessels, but also by vessels of States whose flag has been put on the same footing as the Netherlands flag. Nevertheless, the vessels of States whose flags have not been expressly put on the same footing as the Netherlands flag are also authorised to carry on the coasting trade between ports open to general traffic, should such States have concluded a treaty of commerce with the Netherlands on the basis of the most-favoured-nation clause. Thus, in practice, no distinction is made between vessels under foreign flags.

(2) The coasting trade between ports not open to general traffic or between a port open to general traffic and a port not open to such traffic. Such coasting trade is reserved for Netherlands vessels and for vessels domiciled in the Netherlands Indies. Nevertheless, in urgent cases, the Governor-General may allow vessels only authorised to carry on the coasting trade between ports open to general traffic to engage in the coasting trade between other ports for certain voyages or for the transport of certain goods.

The unloading of goods as a result of mishaps at sea or for reasons of necessity shall not be regarded as the exercise of the coasting trade.

3 and 4. There are no special privileges or special preferential treatment so far as concerns vessels carrying on the coasting trade under the national flag or goods carried by such vessels.

#### SURINAM.

1. By the Decree published on December 24th, 1856 (*Surinam Government Gazette*, No. 17), a permit from the Governor is required in respect of the calling of any vessel for the purpose of carrying persons, mail or goods from one place in Surinam to another place in the territory, at times fixed and announced beforehand, or as a regular service, and also for the use of steamships to tow other vessels or goods.

2. Although the coasting trade is not reserved for the national flag by legal provisions, the coasting trade in Surinam has been for years carried on only by Government vessels and by local cutters.

3. Vessels under the national flag enjoy no preferential treatment.

4. Goods carried under the national flag likewise enjoy no preferential treatment or reduction of Customs duties.

#### CURAÇAO.

1. There is no legislation concerning the coasting trade. Article 143 of the General Ordinance concerning import, export and transit (*Curaçao Legal Gazette*, 1908, No. 33) is the only legal provision that contains a few clauses dealing with the carrying on of the coasting trade for transport of certain goods. Such coasting trade can only be carried on with the permission of the Governor.

2. The carrying on of such coasting trade is not specially reserved for vessels under the national flag.

3. Vessels under the national flag enjoy no preferential treatment.

4. Goods carried under the national flag enjoy no preferential treatment.

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#### New Zealand.

April 16th, 1930.

1. A coastal trading ship in New Zealand means a ship :

(a) Employed in trading or going between any ports or places in New Zealand ; or

(b) Plying on any navigable waters in New Zealand ;

(c) Going to or from any port or place in New Zealand, and returning to New Zealand without going more than 50 miles from the coast thereof :

Provided that, for the purposes of this definition, the Cook Islands, the Kermadec Islands, the Chatham Islands, the Auckland Islands, Campbell Island, Antipodes Islands, and Bounty Islands shall be deemed to be places out of New Zealand ;

Provided also that a ship shall not be deemed to be a home-trade ship merely because, in the course of or as preliminary to a voyage to or from any place out of New Zealand, she is employed in going between two places in New Zealand, if she does not take on board at any place in New Zealand, to be landed or delivered at any other place in New Zealand, any cargo or passengers other than cargo consigned on through bills of lading, or passengers holding through tickets, to or from any place out of New Zealand.

This definition is contained in Section 2 of the Shipping and Seamen Amendment Act, 1909.

2. (a) The coasting trade of New Zealand is not absolutely reserved to New Zealand ships.

(b) Right to engage in the coasting trade is one given to all nations, subject to the requirements that such vessels shall pay the current rate of wages for the time being ruling in New Zealand, and shall be manned in accordance with the manning scale for New Zealand coastal ships. These requirements are provided for in Sections 54 and 75 of the Shipping and Seamen Act, 1908.

3 and 4. There is no preferential treatment in respect of vessels under the national flag employed in the coasting trade.

There is, however, provision in Sections 204, 205 and 206 of the Customs Law Act, 1908, that, if British ships are subject in any foreign country to any prohibition or restriction as to the carrying of passengers or goods coastwise in that country, the Governor-General may, by Order-in-Council, so far as treaty obligations, entered into by His Majesty, permit, impose such prohibitions or restrictions upon the ships of that country as to carrying passengers or goods coastwise in New Zealand, or as to carrying goods from any port in New Zealand to any port in any other British possession where a law similar to this section exists, as appear to him justly to countervail the disadvantages to which British ships are subject as aforesaid; and may also impose such duties on all goods or on any specified classes of goods imported or exported in the ships of that country, as appear to him justly to countervail the disadvantages to which British trade or navigation is so subjected as aforesaid.

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#### Norway.

August 2nd, 1930.

1 and 2. The regulations now in force in Norway regarding the coasting trade are found in the Law of June 17th, 1869, Section 14, on the Customs Regulations. This Section prescribes that foreign vessels may, like Norwegian, carry goods laden in Norway to another port in Norway, unless the King should decide that such permission should not be granted to vessels belonging to a particular foreign nation.

In the new Law on Customs Regulations of June 22nd, 1928, which has not yet come into force, a corresponding regulation exists in Section 126 which says that foreign vessels may, like Norwegian ones, carry goods and passengers between Norwegian ports, unless the King decides otherwise.

3 and 4. In the preamble to the Norwegian Customs Tariff, Section 11 contains the following regulation which applies also to the coasting trade :

“ Foreign vessels and goods imported or exported in them, are not subject to other or higher duties than are Norwegian vessels or goods imported or exported in Norwegian vessels, unless the King should decide that higher duties on goods or vessels should be paid by a particular foreign nation.”

Foreign vessels are treated in the same way as Norwegian vessels as far as the coasting trade is concerned. The King may, however, issue special regulations concerning the treatment of vessels belonging to a foreign nation whose own regulations, for example, on the coasting trade make it difficult or impossible for Norwegian vessels to participate in that trade.

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#### Panama.

[Translation.]

March 26th, 1930.

1. No special provision exists which prohibits vessels flying foreign flags from engaging in the maritime coasting trade ; but in practice only national vessels are allowed to engage in this trade.

2. The coasting trade is absolutely reserved ; the right to engage therein is not granted to the ships of any other nation.

3. Vessels engaging in the coasting trade enjoy no preferential treatment.

4. Answered by the reply to Question 3.

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### Poland.

[Translation.]

April 15th, 1930.

1. The question of the maritime coasting trade is regulated in Poland by the German Law of May 22nd, 1881, concerning coasting trade in goods (*Küstenfrachtfahrt*) (*Reich Legal Bulletin*, page 97), and by the Ordinance of the Federal Council of the Empire on May 13th, 1912, concerning signals in territorial waters (*Reich Legal Bulletin*, page 302).

Article 1 of the Law of May 22nd, 1881, provides that only national vessels shall be authorised to load cargo in a German port for the purpose of carrying the same to another German port.

2. The treaties of commerce and navigation concluded by Poland with other States all contain a clause reserving the coasting trade between national ports for the national flag of each of the two contracting parties.

One signal exception is provided for by the Warsaw Convention of October 24th, 1921, in respect of vessels under the flag of the Free City of Danzig which enjoy the same treatment as that granted to Polish vessels.

3 and 4. Since the coasting trade on the Polish coast is exclusively reserved for the Polish (and Danzig) flag, and the treaties of commerce and navigation concluded by Poland do not give Polish vessels the right to engage in the coasting trade on foreign coasts, Questions 3 and 4 do not call for any reply so far as Poland is concerned; there is no need to give any other preferential treatment to national vessels since they alone engage in the coasting trade on Polish coasts.

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### Portugal.

[Translation.]

February 18th, 1930.

1. Article 5 of the Decree of January 23rd, 1905, contains the following provisions :

“ The following are reserved to Portuguese shipping, when the latter fully complies with the conditions laid down in Article 4 of the Decree of July 8th, 1863, with regard to the complete nationalisation of merchant vessels :

“ (1) Maritime traffic between ports on the mainland of Portugal, between these ports and the ports of the Azores archipelago, and between the ports of the latter ;

“ (2) Maritime traffic between the Portuguese Atlantic possessions and the ports on the mainland of Portugal and of the islands of the Azores and Madeira ;

“ (3) Maritime traffic between the ports of each of the Portuguese possessions in the Atlantic.

“ § 1. Shipping firms and companies which have hitherto carried on the maritime traffic referred to in the present article under the Portuguese flag may continue to carry on such traffic subject to the other provisions of this law.

“ § 2. Maritime traffic between the ports of the province of Angola to the north of the Straits of Loge and the ports situated to the south of 2°30' S. lat., including those in the estuary of the River Zaire (Congo), is allowed on equal terms to all vessels whether Portuguese or foreign.

“ (Consequence of the General Act of Berlin of 1885 and of the Convention of St. Germain-en-Laye.) ”

Article 16 of Decree 8383 of September 25th, 1929, says :

“ Maritime traffic between the mother country, the adjacent islands and the colonies is reserved to the Portuguese flag, to which is also reserved maritime traffic between the ports of the colonies and from one colony to the other, provided that the needs of this traffic are regularly met by Portuguese shipping.

“ An exception to the above rule is constituted by ports the traffic of which is regulated by international agreements.”

Decree 10342 of November 21st, 1924 (which by ministerial decision did not come into force until July 1st, 1930) says :

“ Article 1. — The coasting trade in the province of Mozambique is reserved to the national flag.

“ Article 2. — Portuguese vessels employed in the trade referred to in the foregoing article and belonging to shipping companies which receive Government subsidies may not alter their tariffs without previous authorisation from the Government of the province.”



2. The coasting trade is absolutely reserved for the national flag in Portugal, the adjacent islands, the colony of Angola (with the exception of the area covered by the Act of Berlin of 1885 and the Convention of St. Germain) and the colony of Mozambique.

3. Vessels engaged in the minor coasting trade are exempt from the payment of pilotage dues (Article 130 of the Regulations approved by Decree 11111 of November 19th, 1925) ; they are also exempt from the payment of lighthouse charges under Article 1 of Decree 14664 of December 5th, 1927.

4. Generally speaking, vessels engaged in the coasting trade enjoy preferential treatment as compared with vessels engaged in overseas trade. The preferential treatment also extends to the charges paid by the vessels " on the basis of the goods carried ". Thus, vessels engaged in the minor coasting trade are exempt from the maritime commercial tax on the cargo loaded, but are subject to a small tax on cargo unloaded (Section 3 of Article 1 of Decree 14647 of December 3rd, 1927).

No special Customs treatment is applied to goods carried in vessels engaged in the minor coasting trade when loaded in foreign ports.

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### Roumania.

[*Translation.*]

January 2nd, 1931.

1 and 2. The maritime coasting trade is reserved for the national flag. Nevertheless, special authorisations may be granted in certain clearly-defined cases. This reservation is not established by law, but by usage, and it is expressly stipulated in the commercial treaties concluded by Roumania.

The special authorisations in certain clearly-defined cases, referred to above, are granted by the Higher Navigation Commission, acting in virtue of the Law on the Organisation of the Merchant Marine.

This Commission is solely responsible for deciding whether such authorisations should be granted or not. Up to the present, they have only been granted in the case of goods which, although bound for one Roumanian port, have, for various reasons, been unloaded in another Roumanian port. In such cases, a vessel of the same company, and even a vessel belonging to another company, has been allowed to reload these goods and convey them to the original port of destination.

3. Vessels employed in the coasting trade under the national flag enjoy no preferential treatment in any form.

4. Goods carried in the coasting trade under the national flag also enjoy no preferential treatment.

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### Siam.

May 28th, 1930.

1. There are no special laws prescribing, limiting or defining the vessels that may be employed in the " coasting trade ". There is a general Law on Navigation in Siamese waters which applies to the coasting trade as well as international trade.

2. There is no law in Siam reserving coasting trade for the national flag.

There are in force thirteen treaties of friendship, commerce and navigation with foreign powers. The treaties with Denmark, Italy, the Netherlands and Sweden provide that the coasting trade is exempt from the provisions of the treaties and is governed by the respective laws of each of the contracting parties.

The treaties with Belgium, France, Great Britain, Japan, Norway, Portugal, Spain and the United States of America exempt the coasting trade from the provisions of the treaties, but guarantee most-favoured-nation treatment without any conditions.

In the treaty with Germany the coasting trade is exempt from the provisions thereof, but each party may claim for its vessels the same rights and privileges conceded to the vessels of any other country provided that it grants the same rights and privileges to the vessels of the other party.

3. Vessels under the national flag enjoy no preferential treatment in the coasting trade.

4. Goods carried in the coasting trade under the national flag enjoy no preferential treatment.

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Spain.

[*Translation.*]

March 22nd, 1930.

1. The reservation of the national coasting trade to ships flying the flag of the State concerned, which appeared as a measure of sovereignty in the traditional British legislation, and was then incorporated in the legislation of all maritime countries, thereafter developed along lines peculiar to each State, and was incorporated in the Spanish maritime legislation by the Law of June 14th, 1909, and the Executive Regulations of October 13th, 1913, which, in turn, were embodied in the Royal Decree-Law on Shipping Bounties of August 21st (*Gazette*, of August 25th), 1925, which is still in force.

2. In conformity with Article 2 of this Law and Article 2 of the Royal Decree just mentioned, the traffic of goods and passengers in the national coasting trade between Spanish ports is exclusively reserved to vessels of Spanish flag and construction, the character of this navigation remaining the same between Spanish ports even if foreign ports are touched at during the earlier part of the voyage.

Furthermore, in accordance with these regulations, the traffic of cabin passengers and their baggage is allowed in the national coasting trade to Spanish transatlantic steamers which touch at Spanish ports in the course of their voyages, and to foreign transatlantic steamers provided they belong to a State which grants the same privilege to Spanish vessels. Those enjoying the privilege of engaging in the coasting trade have to undertake an express and concrete obligation to establish these services in a form taking due account of public requirements, the State being entitled to utilise subsidised vessels for national requirements whenever it thinks necessary and on payment of compensation.

3. Other provisions of the laws mentioned, and of supplementary laws, provide that vessels engaging in the national coasting trade enjoy preferential treatment in certain cases, consisting in reductions in harbour dues and exemption from compulsory pilotage when the captain is a qualified pilot of the ports touched at.

4. The goods carried, however, enjoy no reduction of Customs duties since, in the Spanish coasting trade, ships do not touch at ports of different Customs territories.

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Sweden.

[*Translation.*]

August 22nd, 1930.

1. The provisions concerning the coasting trade which are in force in Sweden are to be found in the Royal Declaration of February 28th, 1726. It is there stated that "foreign vessels are forbidden to take on board Swedish goods in a port of the Kingdom and to carry them to another port of the Kingdom".

2. Certain States, however, under conventions concluded between them and Sweden have the right to carry on the coasting trade — namely, Argentine, Belgium, China, Denmark (only for ships the gross tonnage of which does not exceed 30 registered tons), France, Great Britain and Northern Ireland, the Irish Free State, Iceland, Italy, Japan, the Netherlands and Portugal. Sweden has also granted by conventions the right to carry on the coasting trade in certain cases of frontier traffic to Finland and Norway. So far as concerns the carrying on of the coasting trade in Sweden with foreign vessels, reference should be made to the Ordinance of the Central Board of Trade, which was published in 1928 as an annex to the yearly collection of Swedish treaties. This Ordinance also mentions the conventions on which the right of foreign vessels to the coasting trade is based.

3. Vessels under the Swedish flag employed in coasting trade have no preferential treatment as compared with foreign vessels allowed to carry on the coasting trade in respect of harbour dues, towage charges, pilotage dues, lighthouse charges, etc.

4. Goods carried in the coasting trade under the Swedish flag likewise enjoy no preferential treatment.

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## Turkey.

[Translation.]

October 28th, 1930.

1. Under the law of April 19th, 1926 (No. 815), concerning the carrying on of the coasting trade and the exercise of trade and other professions in Turkish ports and territorial waters :

(a) The right to carry goods, baggage and passengers from any point on the coast of Turkey to any other point on the said coast, and to provide pilotage, towage and all harbour services of any kind, is reserved for vessels and craft flying the Turkish flag.

(b) The right to dispose of means of navigation and transport whether fixed or floating, such as boats, tugs, steamboats, motor-boats, barges, sloops, dinghies, caiques — that is to say, all craft, small or large, propelled by machinery, sails or oars ; or dredgers, lighters, tank vessels, etc., and lifeboats, buoys and ferries, and to engage in trade by using the said means of transport on rivers and lakes, in the Sea of Marmora and the Straits, in gulfs, ports and bays and in all the territorial waters of which the same form part, is reserved for Turkish nationals.

(c) The right to take fish, oysters, mussels, sponges, pearls, coral, mother-of-pearl, etc., to quarry sand and gravel, etc., to salvage wrecked vessels and craft and to collect abandoned debris, whether on the surface or at the bottom of the sea, and to exercise the trades of divers, pilots, bumboat-men, porters on wharves and landing-places, and the professions of captain, engineer, purser, seaman and workman on any Turkish vessel, and the right to exercise any kind of maritime trade is also reserved for Turkish nationals.

(d) Foreign vessels have only the right to unload in Turkish ports such passengers and cargo as they have taken on board in foreign countries and to take on board in Turkish ports such passengers and cargo as are destined to foreign ports.

2. As will be seen from the above-mentioned provisions, since the coasting trade is absolutely reserved for the national flag, the right to engage in it has never been granted to other flags either temporarily or permanently.

Although the Government has provisionally allowed salvage vessels flying a foreign flag to exercise their trade in Turkish waters, such permit will no longer be granted them since a Turkish salvage company has just been formed and has proved itself capable of providing salvage services in Turkey.

3. Vessels engaging in the coasting trade under the national flag enjoy no preferential treatment.

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## Union of South Africa.

April 3rd, 1930.

1. The terms " coasting trade " and " coasting vessels " are defined in Section 83 of the Union Customs Management Act, 1913. (Act No. 9, of 1913) which reads as follows :

" All trade by sea from any one part of the Union or from any port or place therein to any other part thereof shall, save as is hereinafter provided, be deemed to be coasting trade, and all ships while employed at such trade shall, save as is hereinafter provided, be deemed to be coasting ships :

" Provided that no ship arriving from a port outside the Union, although bound to more than one port in the Union, and no ship clearing outwards from any port in the Union for a port outside the Union, although bound to one or more intermediate ports in the Union, shall be deemed a coasting ship, nor shall her voyage between such ports in the Union be deemed a coasting voyage."

2. The coasting trade of the Union is not reserved for the national flag absolutely, neither is the right to engage therein granted to other flags, temporarily or permanently, but is free to all flags.

Coasting trade is, however, excluded from the provisions of the Treaty of Commerce and Navigation entered into between the Union of South Africa and the German Reich on September 1st, 1928. According to Article 19 of the above treaty, the coasting trade in the territories of either of the contracting parties will be governed by the laws and ordinances of the respective party. The contracting parties, however, grant to each other the treatment of the most favoured nation, provided that reciprocity is assured. The Union Government, therefore, retains the right to reserve its coasting trade for national vessels.

3. Vessels under the national flag employed in the coasting trade enjoy no preferential treatment in respect of Customs, harbour dues, and charges. Ships engaged solely in the coasting





trade, after having paid port dues eight times within any calendar year, at any one port, are exempt from further payment of dues at that port for the remainder of such calendar year, but this tariff is applicable to all vessels and not only to vessels under the national flag.

4. Goods carried in the coasting trade under the national flag enjoy no preferential treatment.

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### Union of Soviet Socialist Republics.

[*Translation.*]

March 31st, 1931.

1. Article 71 of the Merchant Shipping Code of the Union of Soviet Socialist Republics lays down that "the transport of cargoes and passengers between the ports of the Union of Soviet Socialist Republics either on the same sea (minor coasting trade) or on different seas (major coasting trade), may only be effected by vessels flying the flag of the Union of Soviet Socialist Republics".

From the point of view of the coasting trade, the following are regarded as forming a single sea :

- (a) The Black Sea and the Sea of Azov ;
- (b) The White Sea and the Arctic Ocean ;
- (c) The Sea of Japan, the Sea of Okhotsk and the Behring Sea.

Article 72 of the same Code lays down that, should it be impossible to transport cargoes from one port of the Union of Soviet Socialist Republics to another port of the Union of Soviet Socialist Republics in a ship flying the national flag, and should such transport be urgently necessary, a ship flying a foreign flag may be authorised to effect such transport.

The conditions for the granting of such authorisation will be determined by the Council of People's Commissaries.

2. As regards the provisions of the international treaties at present in force for the Union of Soviet Socialist Republics, the following particulars may be given :

(a) The Treaty of Commerce and Navigation concluded between the Union of Soviet Socialist Republics and Italy on April 7th, 1924, grants to Italian vessels the right to "load or complete their cargoes in a port of the Union of Soviet Socialist Republics when bound for another port of the Union situated on another sea" (Article 25). It should be noted that the other provisions of that article are no longer in force.

(b) The Navigation Convention concluded between the Union of Soviet Socialist Republics and Germany on October 12th, 1925, grants to the vessels and cargoes of the two Contracting Parties the same treatment in the ports of the other country as is granted to national cargoes and vessels. This provision of the Treaty does not extend to navigation between the ports of the Contracting Parties situated on the same sea (minor coastal navigation, minor coasting trade) (Articles 1 and 2).

(c) The Treaty of Commerce and Navigation concluded between the Union of Soviet Socialist Republics and Norway on December 15th, 1925, applies the most-favoured-nation principle to the major coasting trade (Article 20).

(d) The provisional Commercial Arrangement concluded between the Union of Soviet Socialist Republics and the United Kingdom on April 16th, 1930, stipulates that, as regards the coasting trade between ports not situated on the same coast, treatment not less favourable than that granted to the vessels of any other foreign State shall be granted to vessels flying the flag of the other Contracting Party (Article 3).

3. The Regulations of February 19th, 1926, on harbour dues and on remuneration for services performed in the ports of the Union of Soviet Socialist Republics, lay down that navigation dues shall not be levied on vessels engaging in the minor coasting trade (Article 3a). As regards vessels flying the national flag and engaging in the major coasting trade, navigation dues will only be charged once a year in the vessel's first port of call in the Union of Soviet Socialist Republics during the year (Article 4a).

4. In accordance with the Law of May 5th, 1927, on the scales of harbour dues, cargoes transported in the major and minor coasting trade will be liable to only one-third of the dues on cargoes bound for or coming from a foreign country (Point Bb).

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### United States of America.

April 8th, 1930.

1. The laws covering the coasting trade are as follows :

Section 4311, Revised Statutes, providing that vessels having enrolments and licences in force issued by the United States and no others, shall be entitled to the privileges of vessels employed in the coasting trade.



Section 27 of the Merchant Marine Act 1920, provides for the forfeiture of cargo transported between points in the United States including its districts, territories and possessions, either directly or by way of a foreign port or for any part of the transportation, in a vessel other than a vessel built in and documented under the laws of the United States and owned by persons who are citizens of the United States ; or, vessels to which the privilege of engaging in the coastwise trade is extended by Sections 18 and 22 of the same Act.

Section 21 of the Merchant Marine Act 1920, provides that the coastwise laws of the United States shall extend after February 1st, 1922, to the island territories and possessions of the United States not then covered thereby.

Section 588 of the Tariff Act of 1922 provides an additional penalty for attempts to evade the coastwise laws by shipping from one American port to a foreign country and thence to another American port.

The transportation of passengers in the coastwise trade is covered by Section 2 of the Act of February 17th, 1898, providing that no foreign vessel shall transport passengers between ports or places in the United States either directly or by way of a foreign port.

2. The coasting trade is reserved for the national flag.

(a) It is absolutely reserved.

(b) The right to the coasting trade is not in any case extended to other flags.

3. The question of preferential treatment cannot come up, inasmuch as vessels under the national flag and no others may engage in the coastwise trade.

4. As stated in the question next above, there can be no preferential treatment as applied to foreign vessels inasmuch as the trade is reserved to vessels of the United States.

There is no provision of law or Customs regulation under which foreign merchandise is entitled to or receives preferential Customs treatment by reason of being transported in coastwise vessels.

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### Uruguay.

[Translation.]

April 1st, 1930.

1. The legal provisions on the subject are the law of January 11th, 1912, on Navigation and the National Coasting Trade ; the executive decree implementing this law ; and the Law of July 6th, 1918.

Article 1 of the decree implementing the Law of January 11th, 1912, defines the coasting trade as follows :

“ Maritime and river navigation and trade between Uruguayan ports, operations of towage, assistance and salvage in cases of shipwreck or other shipping accidents, and lighterage services rendered by craft and tugs of whatever power and tonnage in the national ports, coasts, beaches and waters.”

2. The coasting trade is reserved to national vessels by Article 1 of the Law of January 11th, 1912, and Article 2 of the same law states the conditions under which vessels engaging in this class of navigation are regarded as national. Nevertheless, this principle of the coasting trade being exercised by national vessels is not in theory absolute, since Article 6 of the Law of 1912 provides that vessels of other flags may be granted by treaty the same privileges as national vessels, subject to reciprocity. In addition, the Law of July 6th, 1918, is aimed at empowering the executive to grant exceptions to this rule. This power, however, has not been made use of to the extent anticipated. Only vessels flying the Argentine flag have been authorised to ply in Uruguayan ports when public works (wharves, ports, etc.) were being carried out.

The executive decree deals with the same questions — *i.e.*, the reservation of the maritime coasting trade and the conditions which have to be fulfilled by vessels in order to be regarded as national. These provisions are to be found in Article 2, paragraph 1, and in Article 3.

3. Vessels engaging in the coasting trade are exempt from port, lighthouse and stamp duties, provided operations take place between Uruguayan ports (Article 4 of the Law of 1912).

In addition, Article 25 of the executive decree lays down that in all ports a site must be designated by the authorities for coasting-trade operations.

4. The general principle adopted by the legislation in force is not to establish any privilege in respect of Customs duties imposed on goods in transit carried by vessels in the coasting trade flying the national flag, in all cases in which such vessels undertake the transport of these goods between the Customs offices of different territories : nevertheless Article 4 of the Law of 1912 lays down that cargoes which have already paid Customs duty shall be exempt from hoisting and transshipment duties, provided they do not utilise Government cranes, and the same Article 4 goes on to say that the executive will simplify Customs procedure with regard to the coasting trade, and this it has done, as will be seen from the provisions of the executive decree mentioned above.

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Venezuela.

[Translation.]

February 24th, 1930.

1 and 2. Under the Customs law of Venezuela, the coasting trade is reserved for national vessels. The coasting trade can only be carried out under the national flag, with the exception of the traffic in passengers and their baggage which can also take place in foreign vessels (Article 359 of the Customs Law).

The coasting trade and foreign trade cannot be carried on simultaneously by the same vessel. The Federal executive may in special circumstances grant permission to passengers proceeding from one port to another in vessels engaging in foreign trade, to carry in their baggage national goods in small quantities and trade samples (Article 360).

As a general rule, in order to engage in the coasting trade without restriction, a vessel must obtain Venezuelan nationality in conformity with Part 15 of the Customs Law. To obtain Venezuelan nationality, the owner of the vessel must apply for navigation letters entitling him to fly the Venezuelan flag. Such letters are only granted to vessels belonging to national or naturalised persons or companies (Article 463, paragraph 3, of the Customs Law). It is also an essential condition that the vessel should exclusively fly the Venezuelan flag, that it should be registered at one of the Customs offices of the Republic, and that the captain and half the crew should be Venezuelan (Article 482 of the Customs Law).

Part 10 of the Customs Law contains the conditions which have to be observed by the coasting trade. Navigation on the Orinoco is governed by the special provisions of a contract concluded with the Venezuelan Incorporated Navigation Company.

3. In the ports vessels pay certain special duties for wharves, lighthouses, buoys administration, watering, etc., which vary in each port, as some of these services are municipal

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Yugoslavia.

[Translation.]

April 2nd, 1930.

1. The regulations prescribing, limiting and defining the vessels that may be employed in the coasting trade — exclusively under the national flag — and which enjoy special treatment in Customs matters, are contained in the Maritime Customs Regulations (*Official Journal*, No. 117, XXIV, of May 27th, 1925).

2. (a) In the Kingdom of Yugoslavia the right to engage in the coasting trade is reserved for vessels under the national flag, all foreign vessels being excluded.

(b) No treaties or agreements exist granting the said right to a vessel flying any foreign flag whatsoever.

3. Vessels engaging in the coasting trade under the national flag, that is to say, coasters exclusively used for traffic between the ports, landing-places and other points of the national coast and which do not touch at foreign ports, have only the right to a rebate when harbour dues are levied in accordance with Section 8 of the Law concerning Harbour Dues (cf., *Official Journal*, No. 278, of March 30th, 1922).

4. Goods entering or leaving Yugoslav ports in vessels flying either the national flag or a foreign flag are subject to the same Customs formalities and liable to the same Customs duties.

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