

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
Ninth Session

SUMMARY RECORD OF THE TWENTIETH MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 23 November 1954, at 10.30 a.m.

Chairman: H.E. Mr. Fernando GARCIA OLDINI (Chile)

Subjects discussed: 1. Admission of an Observer from Israel
2. Item 8 - Customs Administration

1. Admission of an Observer from Israel

The CHAIRMAN explained that rules 8 or 9 of the rules of procedure did not authorise the admission of an observer from Israel to the meetings of the CONTRACTING PARTIES, since at the time that invitations were issued to the Havana Conference in 1947, Israel had not been a sovereign state. In those exceptional circumstances, the CONTRACTING PARTIES might agree to their admission.

The CONTRACTING PARTIES agreed that an invitation should be extended to the Government of Israel to be represented by an observer.

2. Item 8 - Customs Administration

The CHAIRMAN referred to the documents which had been issued relating to methods of valuation (L/228), nationality of imported goods (L/179 and Addenda and L/266), consular formalities (L/197 and 279) and documentary requirements (L/198 and Addenda). These were technical matters, and he suggested that they could more usefully be considered in a working party. He proposed that they be immediately referred to a working party, which should be instructed to provide Review Working Party II on Tariffs, Schedules and Customs Administration, with the results of its consideration.

The DEPUTY EXECUTIVE SECRETARY informed the CONTRACTING PARTIES that twenty out of a possible thirty-five replies to the questionnaire on valuation had been received.

Mr. SANDERS (United Kingdom) questioned the need to establish a working party for the item at this Session. The broad questions of principle involved under this topic would be discussed in any event by Review Working Party II, and he thought that the reports on present practices, arising out of past Decisions of the CONTRACTING PARTIES, might be given the necessary consideration in the plenary meeting, thus obviating the need for a working party to go into them in detail.

The CHAIRMAN considered that the broad principle of this subject had already been discussed a number of times and it had been hoped to eliminate this stage. Close analysis was of great importance in technical matters of this kind.

Mr. ANZILOTTI (Italy) considered that the question of valuation should be examined in the course of the Review, in accordance with the recommendation of the Intersessional Committee. These items should be referred to Review Working Party II, and it would appear desirable that a sub-group should be established in view of the complexity and technical nature of the problems. Taking into account the work done at the Eighth Session, and the recommendations adopted by the CONTRACTING PARTIES in 1952 on certain of these questions, the Italian delegation thought it would be opportune to establish definitive and precise rules to be incorporated as far as possible in the Agreement; in particular, a re-draft of Article VII was necessary in order to eliminate any possible misunderstandings or doubtful interpretations. His delegation would present a proposal for amendments to this Article.

Mr. COUILLARD (Canada) said he would welcome a study of these reports by a working party, but by a working party of the Ninth Session rather than by a sub-group of the Review Working Party. The various proposals to strengthen the Agreement were obviously put forward with a view to making it possible to administer fully the existing provisions. The field of customs administration was important for the CONTRACTING PARTIES and an effort should be made to advance the work in it as far as possible. The conclusions of the technicians would be available and useful to the Review Working Party as a background for their consideration of the technical Articles.

Mr. HAGEMANN (Germany) agreed that it would be desirable to have a special working party in close liaison with the Review Working Party.

Mr. WEISS (United States) shared the doubts of the United Kingdom representative as to the practicability of attempting to do a great deal at this Session in the customs field. It was doubtful that significant improvements could be made in the conditions under which contracting parties were now operating, and, given the burden of work during the Review Session, it seemed impracticable to go into detail in these matters. Furthermore, the replies to the questionnaires on valuation and documentary requirements had been very recently received and were not complete. There would be no opportunity to study them, nor to get instructions which would make it possible to proceed with these matters, and he proposed that they be deferred to the Tenth Session, or to study by the Intersessional Committee. If, however, it were decided to proceed now with these matters, he agreed that a working party would be required but thought it should be a sub-group of Review Working Party II. In reply to a question by the Chairman, Mr. Weiss specified that in his view the consideration of methods of valuation (L/228) and documentary requirements (L/198 and Addenda) should be deferred. It was possible that the present Session could usefully consider the nationality of imported goods (L/179 and Addenda and L/266), and consular formalities (L/197 and L/279).

Mr. MACHADO (Brazil) suggested that, since these matters would be subject to formal consideration during the Review, and in view of the need to pursue the work that had been done in the past, these questions might be referred to Review Working Party II with the recommendation that they create a sub-group specifically to deal with them. The advantage of consideration by experts would then be available to Review Working Party II.

Mr. DONNE (France) expressed his surprise at the proposal that consideration of such important questions be delayed. It was essential, on the occasion of the Review, to define the guiding principles of customs administration, and the Agreement which emerged from the Review should contain definitive Articles in this field. Valuation was one of the most important aspects of any tariff agreement; methods of valuation must be made uniform and precise, or the value of tariff concessions obtained might be diminished. He supported the suggestion to establish a special technical working party which should submit its report to Review Working Party II.

Baron BENTINCK (The Netherlands) said that his Government was particularly interested in this problem. This was an item on the agenda of the Session and an attempt must be made to proceed as far as possible with the work. Whatever type of working party were established should make its conclusions, particularly those on Article VII, available to the Review Working Party. A working party was needed in any case to discuss the reports which had been circulated for the express purpose of providing the Ninth Session with sufficient material to advance this work.

Mr. JOHNSEN (New Zealand) thought it essential that the Articles relating to customs administration be dealt with during the Review. Certainly these matters should not be left to any intersessional meeting.

Mr. DOMINIQUE (Haiti) thought a general discussion was perhaps indicated in order to give an opportunity to those governments who had not replied to the questionnaires to give their views, and to make it possible to fix the terms of reference for the sub-group. In particular, he wished to call the attention of the CONTRACTING PARTIES to a practice which seemed to his Government contrary to the provisions of Articles III and VII, namely that of basing the valuation of imports on the domestic selling price, including in many cases the sales taxes.

Mr. SANDERS (United Kingdom) said his delegation attached quite as much importance as did others to the work done in the field of customs administration. The possibility of modification of certain of the technical provisions of the Agreement was a matter for discussion by Review Working Party II and he would agree that detailed consideration take place in a technical group appointed by that body. If a technical working party were established by the CONTRACTING PARTIES, however, its terms of reference should be absolutely clear. Two of the documents under this item, namely consular formalities and documentary requirements, were reports on progress in carrying out existing requirements. The task of noting and examining these reports fell to the CONTRACTING PARTIES rather than to the Review Working Party.

Mr. SEIDENFADEN (Denmark) remarked that questions of customs administration clearly fell within the scope of Review Working Party II, and he favoured the immediate establishment of a technical group with instructions to report to it. The group should first consider the replies to the questionnaires relating to methods of valuation and nationality of imported goods, supplementing these with oral answers from contracting parties which had not yet replied. It should analyze, report on and clarify these problems, but it should not formulate recommendations which might restrict the broad consideration that should be undertaken by the Review Working Party. The same group of experts could consider separately the items relating to consular formalities and documentary requirements and submit a report thereon to the CONTRACTING PARTIES.

Mr. WEISS (United States) said that he would support the Danish proposal to establish an ad hoc group which should report to Review Working Party II regarding methods of valuation and nationality of imported goods, and to the CONTRACTING PARTIES regarding consular formalities and documentary requirements.

Mr. BURR (Chile) supported the Brazilian proposal that the terms of reference should be left to the Review Working Party.

Mr. BELFRAGE (Sweden) emphasized the importance of these problems, the need that they be examined by a special group and that its terms of reference guarantee an appropriate link between it and the Review Working Party.

Mr. STANGELBERGER (Austria) and Mr. RAJAREM RAO (India) supported the Danish proposal. Mr. Rajarem Rao remarked that all contracting parties were aware of how the value of tariff concessions might be reduced by valuation methods and delay at the customs house. It was appropriate that the Review should consider these matters. He hoped that these contracting parties who had not submitted written replies would supply complete information.

Mr. PEREZ CISNEROS (Cuba) supported consideration during the Review of methods of valuation and nationality of imported goods in particular. He thought that a general technical discussion should take place first in the Review Working Party, and that the latter should draft the terms of reference of the sub-group.

It was agreed that a technical sub-group to examine customs administration should be appointed by Review Working Party II. This group would be instructed to report to the Review Working Party on methods of valuation and the nationality of imported goods, and to the CONTRACTING PARTIES on consular formalities and documentary requirements.

The meeting adjourned at 12.20 p.m.

