

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONTRACTING PARTIES  
Tenth Session

Page 115

## SUMMARY RECORD OF THE ELEVENTH MEETING

Held at the Palais de Nations, Geneva,  
on Friday, 11 November 1955, at 2.30 p.m.

Chairman: Mr. L. Dana WILGROSS (Canada)

Subjects discussed:

1. Customs Formalities
2. Nationality of Goods
3. Samples Convention

### 1. Consular formalities (L/440 and L/400 & Addenda)

The CHAIRMAN said that at their Seventh Session the CONTRACTING PARTIES had recommended that governments which maintained consular formalities in connexion with imports should arrange for their abolition by the end of 1956. Contracting parties had been submitting annual reports on the steps taken towards the implementation of that Recommendation, but it appeared that some ten countries still maintained formalities and fees affecting a large part of their import trade. Looking a year forward to the time when these formalities should be removed, the Executive Secretary had suggested in his Note (L/440) that the CONTRACTING PARTIES might wish to examine the difficulties which some governments had found in complying with the Recommendation, with a view to giving assistance and advice in finding solutions to those difficulties. If the CONTRACTING PARTIES agreed that it would be useful to review these problems and the prospects for the fulfilment of the Recommendation in 1956, the item might be referred to a working party to enable consideration of the difficulties which some governments were still encountering.

Dr. BENES (Czechoslovakia) appreciated that some contracting parties found it difficult to comply with the Recommendation but the continued existence of high consular fees created an unsatisfactory position. Czechoslovakia, which had never imposed consular formalities or fees, was considering the possibility of retaliation. It was in favour of a detailed examination of the problem.

Mr. DONNE (France) wished to correct the impression that France still had extensive consular formalities. According to French law, their abolition was subject to reciprocity and only commercial invoices were required for countries

whose trade, on the basis of the first seven months of 1955, represented 68 per cent of total French imports. In addition, a large part of France's trade was effected without consular formalities in respect of primary commodities such as cotton, wool, coal, rubber etc., also cereals, sugar, cocoa, coffee and tobacco imported from Central and South America, the Middle East and from certain European countries. Thus a total of 94 per cent of French imports in the first seven months of 1955 did not require either consular invoices or visas.

Mr. MACHADO (Brazil) recalled the position of his Government to the effect that Brazil's obligations were defined by the existing Article VIII. This had been made clear by their reservation at the Ninth Session with regard to the amendments to that Article. While agreeing that consular invoices led to complication and that it would be useful for the Working Party to examine the possibility of their elimination, the information provided by the consular and marks of origin documents was needed in Brazil by the customs and excise authorities. His Government had hoped, when it had accepted the Recommendation, to be able to apply it fully, but had reached the conclusion that this would not be possible without complicating further the administrative system.

Mr. COHN LYON (Dominican Republic) said that his Government, having considered the Recommendation, reserved its position, as it had not yet been able to apply it owing to special circumstances in framing the administrative instruments. The consular formalities in force in his country, however, were not intended to create difficulties or curtail imports.

Mr. PHILLIPS (United Kingdom) said that his Government had constantly urged the abolition of consular formalities which imposed barriers to trade out of all proportion to the convenience which they represented for the importing country. In view of the volume of trade involved, the abolition by the United States of all consular formalities was of particular importance. As a number of contracting parties had not yet been able to comply with the Recommendation, it had been suggested that there should be an examination of their difficulties in a working party. He was not convinced that the time for such consideration was ripe. The Recommendation was on record and his Government would rely on contracting parties making every effort to comply with it by the date mentioned.

Mr. RAMASUBBAN (India) said that his Government were anxious that the Recommendation should be fully complied with within the period specified. A working party would be useful to discover the extent of the difficulties involved.

Mr. GARCIA OLDINI (Chile) said that the position of his Government in this matter remained unchanged since the Ninth Session. A country would comply with a recommendation only insofar as it was in a position to do so, Chile was not able to abolish consular invoices.

Mr. VARGAS GOMEZ (Cuba) said that Cuba was in the same position as Chile. With regard to the legal situation, the obligations of the contracting parties were to be found in Article VIII: which imposed no obligation to eliminate consular formalities by any fixed date. A recommendation was precisely what its name implied and could impose no obligations beyond those contained in the Agreement. His Government had pointed out that with the system in force in Cuba it was not possible to eliminate the formalities in the near future. For some countries they served as a source of revenue and were also helpful in the assessment of freight rates. He did not support sending the matter to a working party.

Mr. LEDDY (United States) thought that not much purpose would be served by consideration of the problem in a Working party at this time, as the position of those governments which had not yet taken a decision on the Recommendation was already known.

Mr. AXIZ AHMAD (Pakistan) agreed that a working party should not be appointed and proposed that the problem be studied by the secretariat with the fourteen countries concerned and a report on the situation be prepared.

Mr. FOMBEUN (Haiti) said that Haiti's reasons for being unable to comply with the Recommendation had been given (L/400/Add.3). Haiti was considering a revision of its tariff and the question of consular formalities was a connected one, the outcome of which could not at present be foreseen. He was not in favour of consideration in a working party.

The CHAIRMAN said that the discussion had shown a general wish to rely on contracting parties making every effort to comply with the recommendations and a preference against appointing a working party. In this connexion he stressed that governments were required to submit annual reports.

It was agreed that the item should be retained on the agenda for the Eleventh Session.

## 2. Nationality of Imported Goods (L/434, L/444 and L/430)

The CHAIRMAN recalled that at the last Session the CONTRACTING PARTIES had examined a draft definition of origin which had been proposed at a previous Session for adoption by governments and incorporation in their customs regulations. There was not sufficient support for the draft definition to obtain its adoption, but it was agreed that the question should appear on the agenda at this Session. The Government of Germany had submitted proposals for amending the definition (L/434).

The CONTRACTING PARTIES had also agreed earlier this Session (SR.10/6, page 61) that the resolutions on certificates of origin and marks of origin which had been submitted by the International Chamber of Commerce (L/430) might be taken up along with this question of definition of origin.

Dr. EICHHORN (Germany) said that the German delegation had repeatedly expressed the view that the basic concepts in the General Agreement should be defined in a uniform way in order to assure uniform interpretation and application. It had therefore welcomed the Eighth Session decision to draw up a common definition of origin of commodities, since, as had been pointed out by the Austrian Government in its note, the absence of such a definition had an unfavourable effect in practice. Referring to the German note he thought that the difficulties involved were not insurmountable and continued efforts should be made. He suggested that the Executive Secretary should be charged with seeking further concrete proposals from governments and proposed reverting to the matter at one of the subsequent sessions.

He welcomed the resolutions of the International Chamber of Commerce and wished to draw attention to the Report of the Seventh Session Working Party (Basic Instruments and Selected Documents, 1st Supplement page 104) which had recommended consideration at a later session of the possibility of initiating a general study of marks of origin for imported goods. He considered that this was the right time for a detailed examination of the matter. With regard to the resolutions of the International Chamber of Commerce it seemed clear to him that complete documentation on the legislation and regulations of the various countries would be necessary before taking up the question again at the Eleventh Session.

Dr. STANDENAT (Austria) supported the German note. His Government was in favour of a common definition of origin for products imported by the contracting parties, though it recognized that there were certain disadvantages in the legal, statistical and commercial fields. In their note they had proposed the setting up of an expert committee to establish practical criteria in this field and he would therefore recommend that the item be kept on the agenda.

Austria was not in a position to agree to the ICC text on Certificates of Origin and felt that each government should remain the sole judge in this field.

Mr. DONNE (France) said that his Government attached importance to a common definition of origin and to its uniform and universal application. In certain countries rates of duty varied according to whether or not most-favoured-nation treatment was granted to the country of origin and there was the further consideration that statistics based on provenance of goods could give a false impression of international trade channels.

Within OEEC there was great interest in the matter as liberalization measures applied to goods originating in and exported by member countries. He supported the Austrian and German proposals, including the placing of this item on the Eleventh Session agenda.

Mr. PHILLIPS (United Kingdom) agreed that the time was not yet ripe for submitting these questions to a working party. With regard to the recommendations of the ICC he was not aware of any particular difficulties caused in international trade by the lack of agreed principles in this field. He further agreed that it would not be realistic to start an examination before the secretariat had assembled information on the laws and regulations on marks of origin in force.

Mr. RAMASUBBAN (India) felt that it was not yet time to consider the ICC resolutions in detail. The definition of origin as applied to India's preferential arrangements was precise and if the resolutions were adopted his country would not be able to apply the present preferential tariff. No information had come to hand which indicated that there were special difficulties in this field. The ICC proposals should be forwarded to the various countries and if subsequently real difficulties were discovered the local Chamber of Commerce could deal with the problems. He was not in favour of convening a working party.

Mr. MACHADO (Brazil) agreed with the importance attached to the definition of origin and the related freight questions. Brazil had triangular trade arrangements and multiple exchange rates which had been approved by the Fund. The question of marks of origin raised an important principle with regard to multilateral trade and he would support a further examination of this matter.

The CHAIRMAN found that the majority were against referring the question to a working party, whilst there had been a general desire that the matter be kept under review. It had also been said that it was not yet opportune to study the Resolutions of the ICC in detail and that these required further study in the individual countries.

It was agreed that these matters should be included on the Eleventh Session agenda and that the secretariat should assemble information on marks of origin.

### 3. International Convention on Samples (L/441)

The CHAIRMAN said that this Convention, prepared at the Seventh Session, would enter into force on 20 November. Two questions of interpretation of its provisions had been referred to the CONTRACTING PARTIES by the Customs Co-operation Council (L/446).

Mr. LEDDY (United States) reporting on the status of the Convention in the United States, said that it was expected that a decision would be taken by the Senate early in 1956.

Dr. STANDENAT (Austria) said that his Government intended to ratify the Convention shortly. However, since under the Austrian constitution an international convention accepted by Parliament automatically became part of

domestic legislation and at present domestic legislation on this matter was more liberal than the Convention, its signature would be a retrograde step and his government for the moment was reluctant to submit the Convention to parliament. Certain international conventions contained a minimum clause permitting the domestic legislation to go beyond the provisions of the convention. As it was not now possible to amend the text of the Convention on Samples he proposed that an agreed interpretation be incorporated in the Summary Record to read:

"The provisions of this Convention lay down minimum facilities, and it is not the intention of the Contracting States to restrict broader facilities that are or may be granted by any among them."

Dr. ~~BEWES~~ (Czechoslovakia) said that his Government had ratified the Convention on 22 October.

The CHAIRMAN proposed that the matter be referred to a small Working Group which should draft replies to the enquiries received from the Customs Co-operation Council.

The CONTRACTING PARTIES approved the establishment of a Working Group on the International Convention on Samples with the following membership and terms of reference.

Chairman: Mr. A.R. Ashford (United Kingdom)

Membership:

Germany	Pakistan
India	Sweden
Kingdom of the	United Kingdom
Netherlands	United States

Terms of reference:

To consider the enquiries received from the Customs Co-operation Council concerning the interpretation of the International Convention to facilitate the Importation of Commercial Samples and Advertising Material and to report thereon to CONTRACTING PARTIES.

The meeting adjourned at 3.45 p.m.

