

RESTRICTED

GENERAL AGREEMENT ON TARIFFS AND TRADE

COM. IND/6/Add.5
17 December 1968
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Committee on Trade in Industrial Products

INVENTORY OF NON-TARIFF BARRIERS

Addendum

Restraints on Imports and Exports by the Price Mechanism

The Committee on Trade in Industrial Products agreed at its meeting in October 1968 (L/3083) that the barriers classified in this section were to be sub-classified as follows:

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Certain notifications not appearing to be classifiable elsewhere have been placed in an added sub-section:

Considerable difficulties were met in deciding on the basis of the text of the notifications whether certain taxes should be classified in sub-section B or C. The principle followed has been to classify under sub-section B taxes which seem to be imposed on imports only and those which discriminate between sources of supply. Taxes which are imposed on both imported and domestic products but which discriminate in favour of domestic products have been classified under C. Difficulties were also met in drawing the line between sub-sections C and H, and the classification in many cases solely results from the terminology used in the notification.

As was indicated in document COM.IND/6/Add.2, difficulties were met in drawing the line between notifications falling in sub-section E of the present document and the sub-sections dealing with consular formalities and documentation in the section on Customs and Administrative Entry Procedures.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

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Country maintaining restriction and description	Products affected	Country notifying and comment ¹
A. Prior import deposits		
ARGENTINA	Nearly all imports except some raw materials, and Argentine of miscellaneous consumer capital goods. Imports by goods, in particular. Government departments and national, provincial or decentralized organizations are exempt from this requirement.	JAPAN: This hampers the export to Argentina of miscellaneous consumer capital goods, in particular. CANADA: -- SWITZERLAND: -- UNITED KINGDOM: -- UNITED STATES: --
CHILE	Advance deposit of varying rates from 5 per cent to 10,000 per cent of c.i.f. value (as in the case of domestic sewing machines) levied depending on the essentiality of the product. The average is generally between 300 per cent and 400 per cent of the value. The deposit must be lodged with the Central Bank when imports registered ² and is held for at least 90 days.	UNITED STATES: -- UNITED KINGDOM: -- JAPAN: In view of the fact that there are few importers who can afford to place a deposit of 10,000 per cent for several months, and that the financing of banks for such a deposit is forbidden, this deposit system has virtually the same effect as the prohibition of import.

¹ Underlined material appearing in either column is counter-comment by the country maintaining the restriction.

² At the time of application for import licence - Japan.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
A. <u>Prior import deposits</u> (cont'd)		<p>SWITZERLAND: These measures oblige the importer to immobilize large sums at very high rates of interest, and thus discourage imports.</p> <p>CHILE (cont'd)</p> <p>The system of prior deposits was established in order to regulate imports indirectly in relation to the country's requirements and to foreign exchange availabilities. The percentage rates of the deposits are fixed or modified according to those factors. The prior deposit of 10,000 per cent relates to certain goods that are not regularly imported and with respect to which the Executive Committee of the Central Bank can grant an exemption from the deposit requirement if the imports are needed because of a shortage of domestic supplies, etc. Only 20 per cent of total import registrations are subject to prior deposits, at percentages varying between 10 and 200 per cent.</p> <p>The time-limit for refund of the deposit has been modified to the advantage of importers, and the sums deposited can be used prior to the maturity date for payment of customs duties, etc. In order to simplify the deposit system, the Central Bank has authorized importers to make the deposits by means of bank credits established for this purpose and granted on the basis of an overall budget apportioned among the various commercial banks. This measure represents a liberalization of the system, because previously the deposit had to be paid in cash.</p> <p>Because of the fluctuating rate of exchange and the fact that the foreign exchange cannot be issued until fifty days following shipment (this minimum period was initially 120 days), importers can arrange forward purchase with a bank to cover the entire cost of imports, making a corresponding cash payment in national currency.</p>

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
A. <u>Prior import deposits</u> (cont'd)		
DOMINICAN REPUBLIC		
Prior import deposit of 20 or 40 per cent of f.o.b. (10-40 per cent - Japan) value must be placed in the Central Bank for three months from the date of customs clearance.	Wide range of products.	JAPAN: --- UNITED STATES: ---
GREECE		
Advance cash deposits of varying amounts between 40 per cent and 140 per cent of the c.i.f. value.	-	SWITZERLAND: Prior deposits calculated on c.i.f. value increased by amount of tariff duty payable. - UNITED KINGDOM: A two-month "freeze" on repayment of these exports has operated since June 1966.
ICELAND		
Deposits must be placed with bank selling exchange equal to 15-25 per cent of amount of foreign exchange purchased; deposit held for at least three months.	All imports except petroleum, fishing gear, fertilizers and industrial raw materials.	UNITED STATES: ---

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
A. Prior import deposits (cont'd.)		
INDONESIA	-	AUSTRALIA: Further discourages imports. SWITZERLAND: --
	The amount of pre-payment to be effected upon making an order or, in some cases, before presenting the required documents, depends on the nature of the goods to be imported: for consumer goods the amount is higher than for other goods.	
JAPAN	Pro-payment for letters of credit.	AUSTRALIA: --
	When applying for a licence, the importer must deposit a percentage of the value of the goods he is to import. The rate of deposit varies currently between 1 per cent and 5 per cent.	UNITED STATES: -- UNITED KINGDOM: -- CANADA: --
KOREA	The importor must deposit an amount equal to the value of letter of credit at the time of establishing it.	JAPAN: This imposes a burden on importers, with the result that imports are adversely affected.
	Deposit is refunded only several months after it is placed.	
NICARAGUA	At the time of the establishment of letters of credit, importers of any goods except for products of essential goods such as machines and raw materials for industrial purposes, must place guarantee deposit of 30 per cent of c.i.f. value (the percentage has been frequently changed).	JAPAN: In consequence, exports of cotton fabrics of low quality, for instance, are gradually declining.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
A. Prior import deposits (cont'd)		
TURKEY	Advance deposit: full Turkish lira equivalent of the full amount of foreign exchange applied for must be deposited in advance with an authorized bank before the import licence is issued for goods on the liberalization list and for quota list goods imported against letter of credit. Deposit is 50 per cent for quota list items imported cash against documents.	UNITED STATES: -- UNITED KINGDOM: -- SWITZERLAND: --
URUGUAY	Guarantee deposit: at the time of application for import licences, importers are required to deposit in addition to the advance deposit as a guarantee a specified percentage of the foreign exchange applied for. The rates of deposit are (i) 70-100 per cent for Free List items, (ii) 10-30 per cent for Quota List items (1 per cent for capital goods).	UNITED STATES: -- UNITED KINGDOM: -- JAPAN: In addition to the high rate of the guarantee deposit, the issuance of licence tends to be delayed. As a result, importers are often discouraged from purchasing foreign goods because they must bear the high cost of interest and miss a good business opportunity. SWITZERLAND: Rates of deposit vary from 10 to 125 per cent.
URUGUAY	For imports of bicycles and certain types of motor cars, 200 per cent of c.i.f. value or "precio c.i.f. promedio" is required as a prior import deposit at the time of import application. Such a deposit is refunded only after six to twelve months after the customs clearance.	UNITED STATES: -- JAPAN: As importers must place a large amount of deposit for such a long period, export transactions are hindered. SWITZERLAND: --
URUGUAY	All imports (except capital goods which may be exempted on a case-by-case basis), unless by public organizations.	

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
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A. Prior import deposits (cont'd)

URUGUAY (cont'd)

For items subject to the import surtax of less than 90 per cent, those who import more than a certain percentage (averaging 80 per cent) of the import of the preceding year, must place deposit of 200 per cent to 400 per cent (150 per cent to 400 per cent - Switzerland) of c.i.f. value depending on items.

YUGOSLAVIA

Prior deposit requirements vary. In the case of short credit transactions, importers have to deposit foreign currency equivalent to the value of the order at the State bank. Deposits are released only against legalized invoices.

UNITED KINGDOM: --

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc.</u>		
GENERAL COMMENTS		
UNITED STATES: Taxes on imports applied by a number of developing countries in particular, include stamp taxes, statistical taxes, port taxes, surcharges based on ocean freight charge, consular fees, and revenue taxes. While not necessarily significant when considered separately, the proliferation of such taxes constitutes an unnecessary burden on trade and is administratively inefficient.		
ALGERIA		
Since February 1967 Algeria has applied the general rate of duty to imports from Hong Kong. Rate is about three times as high as most-favoured-nation rate. ¹		
ARGENTINA		
Special tax of 4 per cent to 10 per cent of c.i.f. value		
HONG KONG: Contrary to GATT ... has a definite restrictive effect.		
All products of Hong Kong.		
UNITED STATES: --		
Imports of paper, furniture and other manufactures of wood.		
UNITED KINGDOM: --		

¹ It may be questioned whether this notification concerns a non-tariff barrier, but it is included here for completeness.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
R. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd.)		
ARGENTINA (cont'd.)		UNITED KINGDOM: ---
Clearance fee is charged on all postal imports together with a tax of 15 per cent c.i.f. on any parcel not consigned to a regular licensed importer of the goods in question.		
No additional charge exists at present and duties are collected, as required, independently of the form of transport.		UNITED STATES: --- SWITZERLAND: --- UNITED KINGDOM: ---
Statistical tax of 1.5 per cent levied All products on c.i.f. value of imports only, if the goods are exempted from import duty the tax is 3 per cent c.i.f.	All products.	UNITED STATES: --- UNITED KINGDOM: --- UNITED STATES: --- UNITED KINGDOM: ---
This is a fee for services rendered.		HONG KONG: ---
Surecharge of 4 per cent on ocean freight charges payable by the importer.		AUSTRALIA Special (primage) duties ranging from 5 per cent to 10 per cent. The reference to primage duties should be omitted because primage duties are duties of customs and, as such, are purely tariff measures.
Special steel fund tax of .20 to 2.00 pesos per net kg.	Products made of iron and steel.	

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd)		
AUSTRIA	3 per cent tax for foreign trade promotion. <u>The rate is 0.03 per cent</u>	All major Brazilian exports: iron ore, babassu oilcake, cottonseed oilcake, groundnut oilcake, carnauba wax.
BARBADOS	Package tax; certain products exempted by the tariff schedule.	All imports.
BRAZIL	Port improvement tax of 1 per cent levied on c.i.f. value of imports.	All products.
	Merchant Marine Improvement tax of 10 per cent of freight charges.	All products.
	There are various levies and taxes on imports, including despatchers' commission, despatchers' syndicate, import tax, warehousing tax of 1 per cent to 12 per cent levied on the value of imports depending on the duration of the consignment.	-
	The various levies and taxes on imports refer to services rendered, as it happens in many countries. Together, they amount to more or less 2 per cent of the c.i.f. value and never reach 12 per cent, as notified.	

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd)		
BURUNDI		
Statistical tax	All imports.	UNITED STATES: --
CAMEROON	All imports.	UNITED STATES: --
	Many products.	UNITED STATES: --
CENTRAL AFRICAN REPUBLIC	All imports.	UNITED STATES: --
	Textiles, men's and usod clothing,	UNITED STATES: --
	radios, autos, lorries, eye- glasses.	
CHAD	All imports.	UNITED STATES: --
	Selected items.	UNITED STATES: --
CONGO (BRAZZAVILLE)	All imports.	UNITED STATES: --
	Selected items.	UNITED STATES: --

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Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd)		
DAHOMEY		
Statistical tax of 1 per cent levied on c.i.f. value.	All imports.	UNITED STATES: --
Fiscal duty 10-15 per cent levied on c.i.f. value.	All imports.	UNITED STATES: --
Fiscal tax of CFAF 2 per CFAF 1,000 on goods valued over CFAF 25,000.	All imports.	UNITED STATES: --
Discriminatory tax of 5 per cent to 111 per cent not levied on imports originating in EEC countries.	All imports.	UNITED STATES: --
FRANCE		
A levy is charged on most kinds of imported papers. Part of the proceeds are applied to the development of the domestic pulp and paper industry.	Pulp and paper.	UNITED KINGDOM: --
GABON		
Revenue tax up to 50 per cent. Additional tax.	All imports. Petroleum fuels, lubricants, firearms.	UNITED STATES: --
GUAYANA		
Special tax.	All imports of chairs, foot- wear parts.	UNITED STATES: For protection of home industries.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
B. Surcharges, port dues, statistical taxes, etc. (cont'd)		
ICELAND		
Special import tax.	Gasoline.	UNITED STATES: --
Special import tax of IKr 9 per kg.	Tubes and tyres.	UNITED STATES: --
Special licensing fee of 90 per cent of price of automobiles; 30 per cent of price of jeep-type vehicles.	Motor vehicles.	UNITED STATES: --
INDIA		
Licensing fees to be paid for application for import licence. Fee is Re 50 for licence of not over Re 50,000 and Re 1 for every Re 1,000 in value of licences over Re 50,000. Maximum fee Re 5,000.	All commercial imports.	UNITED STATES: --
INDONESIA		
One per cent import tax levied on c.i.f. duty-paid value.	All products.	UNITED STATES: --
Half per cent customs charge.	All products.	UNITED STATES: --
Excess profit levy of Rp 25 or Rp 50 per United States dollar value of import.	Few products.	UNITED STATES: --
ISRAEL		
Surcharge.	Clear lumber.	CANADA: Surcharges are levied on imports of clear lumber from most countries including Canada. This surcharge is not applied on imports of Brazilian Parana pine.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd)		
ITALY	Administrative duty of $\frac{1}{2}$ per cent, charged in addition to the ordinary customs tariff.	All products. UNITED KINGDOM: ... is added to the landed value of imported goods for purposes of calculating turnover tax and equalization turnover tax.
	Statistical duties.	BRAZIL: ---
	Landing tax; Lit 20 per ton. Sanitary tax.	JAPAN: ... is an additional burden on importers. JAPAN: ... is an additional burden on importers.
		SWITZERLAND: Abolition of the administrative charge and the statistical duties with respect to imports from EEC countries only would constitute discrimination against third countries.
		BRAZIL: ---
		BRAZIL: ---
		Granite, Glands, animal organs and extracts thereof, snake poison.
IVORY COAST	Special import tax of 10 per cent of c.i.f. value. Fiscal tax of 10 per cent to 15 per cent of c.i.f. value Statistical tax of 1 per cent of c.i.f. value.	UNITED STATES: --- All imports. UNITED STATES: --- All imports. UNITED STATES: ---

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc. (cont'd)</u>		
MADAGASCAR		
Import tax of 0-50 per cent, levied on c.i.f. value.	Most imports.	UNITED STATES: --
Charge of 2,000 francs per metric ton.	Cement.	UNITED STATES: --
MAURITANIA		
Fiscal tax of 10 per cent to 15 per cent, levied on c.i.f. value.	All imports.	UNITED STATES: --
Standard import tax of 20 per cent to 30 per cent, levied on c.i.f. plus duty-paid value.	All imports.	UNITED STATES: --
Statistical tax generally CFAF 4 per unit.	All imports.	UNITED STATES: --
NIGER		
Fiscal tax of 10-15 per cent, levied on c.i.f. value.	All imports.	UNITED STATES: -- } These taxes have no discriminatory character; they are imposed on imports from all sources for a purely fiscal purpose and imports originating in the other member States of the West African Customs Union
Statistical tax of 1 per cent, levied on c.i.f. value.	All imports.	UNITED STATES: -- }
Standard tax of 25 per cent, levied on c.i.f. value.	All imports.	UNITED STATES: -- }
PERU		
Statistical tax of 1.5 per cent, levied on c.i.f. duty-paid value. If the goods are exempted from import duty the surcharge is 3 per cent c.i.f.	All products.	UNITED STATES: -- } Taxes. They can thus not in any way be considered as a para-tariff barrier.
Maritime freight tax is 4 per cent of the c.i.f. value.	All products.	UNITED KINGDOM: --

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Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc. (cont'd.)</u>		
RWANDA	Fiscal tax of 10 per cent-30 per cent levied on c.i.f. value.	Most products. UNITED STATES: --
	Statistical tax of 3 per cent levied on c.i.f. value.	All imports. UNITED STATES: --
SENEGAL	Fiscal tax of 10 per cent to 15 per cent, levied on c.i.f. value.	All imports. UNITED STATES: --
	Standard tax of 20 per cent to 30 per cent, levied on c.i.f. plus tariff plus fiscal duty plus statistical tax.	Most imports. UNITED STATES: --
	Statistical tax CFAF 4 per case or bundle. Tax of CFAF 15.5 to 25.5 per litre.	All imports. UNITED STATES: --
SPAIN	Special charges are added in the case of luxury items, such as cosmetics.	Petroleum products. UNITED STATES: --
SWEDEN	Tax levied by the Kungliga Kontrollstyrelsen. Cigars.	Certain imports. UNITED KINGDOM: This further increases the degree of protection afforded to the domestic product.
SWITZERLAND	Discriminatory charges on certain spirits.	Spirits. BRAZIL: --
		EEC: The specific tax charged on spirits imported into Switzerland, essentially consists of a monopoly duty, the present rate of which is Sw F 1,300 per gross metric quintal for Cognac

¹The contracting parties are not in agreement as to whether these products should be classified in the agricultural or the industrial sectors; the system in question could therefore be discussed either in the Agriculture Committee or in the context of negotiations on non-tariff barriers to trade in industrial products.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
P. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd)		

SWITZERLAND (cont'd)

and Armagnac and Sw F 930 for ordinary brandies. In comparison with this tax the customs duty is negligible (Sw F 50 per quintal for bottles and Sw F 0.40 per degree and per quintal for barrels).

The introduction of the present rates of monopoly duty has already caused an appreciable reduction in Community exports of these products to the Swiss market.

By an order of the Federal Council published in the Federal legislative series on 14 October 1967, a special monopoly duty has been introduced as from 1 April 1968 on spirits imported in bottles in quantities of 50 kgs. gross or more, when imported from EFTA countries. This special duty is based not on the gross weight but on the pure alcohol content, at rates ranging from Sw F 22 per litre for whisky to Sw F 12 per litre for various liqueurs, with an intermediary rate of Sw F 17 for gin and Aquavit. In practice, this means that a monopoly duty of Sw F 6.80 is charged on a bottle of whisky, while the duty on a bottle of Cognac is Sw F 20.80, i.e. three times more.

The new measure therefore has the effect of introducing serious de facto discrimination against Cognac, Armagnac and other spirits produced in the Communities.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd)		
TOGO		
Statistical tax of 19 per cent, levied on c.i.f. value.	All imports.	UNITED STATES: --
Warehouse tax of 1 per cent, levied on c.i.f. value.	All imports.	UNITED STATES: --
Special import tax of CFAF 5 per 100 kgs.	All imports.	UNITED STATES: --
Phytosanitary tax of CFAF 125 per ton.	Tobacco manufacturers, jute goods.	UNITED STATES: --
Lighthouse tax of CFAF 20 per ton.	All imports.	UNITED STATES: --
Berthage tax of CFAF 125 to CFAF 510 per 100 kg.	All imports.	UNITED STATES: --
TUNISIA		
National Defence Fund tax of 10 per cent of either the consumption tax or duty.	All imports.	UNITED STATES: --
Customs formality tax of 1.81 per cent of landed cost.	All imports.	UNITED STATES: --
TURKEY		
Port tax of 5 per cent, levied on c.i.f. plus duty, surtax and customs clearance costs.	All goods imported by sea.	UNITED STATES: -- SWITZERLAND: Discriminatory tax charged only on imported products.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd.)		
UNITED ARAB REPUBLIC		
Revenue tax of 10 per cent (with the exception of such goods as essential food commodities and other basic commodities which pay 5 per cent).	UNITED KINGDOM: -- All imports.	UNITED STATES: -- UNITED KINGDOM: -- UNITED STATES: -- UNITED KINGDOM: -- UNITED STATES: --
Statistical tax of 10 per cent, levied on c.i.f. value.	All imports.	UNITED STATES: -- UNITED KINGDOM: -- UNITED STATES: -- UNITED KINGDOM: -- UNITED STATES: --
Pavement tax of 3 per cent of the sum of the customs duty, statistical tax and where applicable, excise taxes.	All imports.	UNITED STATES: -- UNITED KINGDOM: -- UNITED STATES: -- UNITED KINGDOM: -- UNITED STATES: --
Porterage fee.	All imports.	UNITED STATES: -- UNITED KINGDOM: -- UNITED STATES: -- UNITED KINGDOM: -- UNITED STATES: --
UNITED STATES		
Repairs to United States ships abroad.	Ship repairs.	EEC: The levy by the United States of a 50 per cent duty on equipment purchased or repairs made abroad for United States merchant vessels constitutes a duty that is not provided in the United States tariff, but is charged pursuant to special provisions appended to the tariff.
UPPER VOLTA		
Fiscal tax - 0.20 per cent.	All imports.	UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: --
Standard tax - 0.25 per cent.	All imports.	UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: --
Temporary development tax - 10 per cent.	All imports.	UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: --
Statistical tax - 1 per cent.	All imports.	UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: --
Contractual tax - 2.25-25 per cent	All imports.	UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: --
Temporary maintenance tax - 1.5 per cent.	All imports.	UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: -- UNITED STATES: --

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Country maintaining restriction and description	Products affected	Country notifying and comment
B. <u>Surcharges, port dues, statistical taxes, etc.</u> (cont'd)		

URUGUAY

Surcharges of 10 per cent to 300 per cent (20 per cent minimum - Switzerland).

Most goods except essential items of an industrial, agricultural or medicinal nature.

On "luxury" products and on products competing with like domestic products.

Various taxes and charges.

Port handling fee: \$.025 per 100 kgs. of gross weight or \$.33 per 100 pesos of valuation.

Port charge:

Respectively at the rate of 12 per cent of the C.I.F. value of goods, and Ur\$100 per 100 kgs.

UNITED STATES: Imports are subject to surcharges to conserve foreign exchange.

SWITZERLAND: Numerous taxes and charges on imports and not on domestic products.

UNITED STATES: -

All imports.

UNITED STATES: -

SWITZERLAND: -

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u>		

GENERAL COMMENTS

PORUGAL: Internal revenue taxation levied at the time of importation. In respect of foreign-made goods, the collecting of taxes of internal revenue is effected at the time of importation, whereas in respect of goods of domestic manufacture tho said internal revenue taxes are collected at the time the goods are sold for consumption. The importers are thus implicitly forced to bear the burden of long-term or short-term financial immobilization, thereby further obstructing imports. Furthermore, some of those taxes are of a discriminatory nature. In Belgium for example, cork agglomerates manufactured with pitch (local production) are exempt from a tax collected on the importation of kindred agglomerates manufactured with natural resins, such as normally supplied by Portugal.

UNITED STATES: There are many ... kinds of taxes applied to imports. Ostensibly some of the taxes in use in a number of countries, such as sales, consumption, commodity and excise taxes, are applied equally to imported and domestic products. In practice, however, these apply more heavily to the imported product since they are usually levied on a c.i.f. duty-paid basis. In addition, the rates for some such taxes are sharply progressive and are levied on a basis designed to make them more burdensome for the imported product. In particular, taxes levied on automobiles constitute a barrier of major significance to United States exports. These include road, use, registration, sales or purchase taxes which are often based on fiscal horsepower or cylinder capacity thus discriminating against larger, higher-powered cars.

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Country maintaining restriction and description	Products affected	Country notifying and comment
C. Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc. (cont'd)		
ARGENTINA		
Sales tax of 10-20 per cent levied on c.i.f. Various duty-paid products.	UNITED STATES: --	
National production does not receive more favourable treatment and the taxable value is established according to universally applied criteria.		
Excise tax, levied on c.i.f. duty-paid value; tax is specific on some products and ad valorem on others.	UNITED STATES: --	
This is an internal consumption tax applied on the same bases as the sales tax; there is thus no discrimination.		
Differential tax for imports. Imported products do not enjoy the investment tax credit of up to 60 per cent of total liability granted on purchases of domestically produced tractors.	UNITED STATES: --	
This is not a differential tax but a measure allowing the deduction from total liability of up to 60 per cent of the profit obtained. It has temporary character and lapses on 31 December 1968.	Tractors of any horsepower.	

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		
ARGENTINA (cont'd)		
An exhibition tax was imposed on foreign films in Argentina by Decree No. 11861 dated 30.9.57 at the following rates:	Films.	UNITED KINGDOM: Provision for suspending the tax was made in the case of films originating from countries which had "reciprocity" agreements with Argentina.
(a) Black and white films, 100,000 pesos. (=£116 in 1968 but £1,000 in 1957.)		The exhibition tax is contrary to Article IV of the GATT of which Argentina has recently become a contracting party.
(b) Cinemascope or similar wide screen films in black and white, 150,000 pesos. (=£178 in 1968 but £1,500 in 1957.)		
(c) Colour film or cinematoscope or similar in colour, 200,000 pesos. (=£238 in 1968 but £2,000 in 1957.)		
Imports into Argentina must be insured with an Argentine insurance company if the transport is for the account of the importer.	All goods.	UNITED KINGDOM: ---
		SWITZERLAND: Imports from the United States are exempt from this requirement.
AUSTRALIA		EEC: The Communities consider that this system constitutes a discrimination that is not in conformity with the text of the General Agreement, and would wish it to be eliminated.
	... a system of sales taxes at rates varying from product to product. The tax is, however, calculated differently depending on whether the product concerned is domestic or imported. For imported products it is calculated on the following basis:	
(a) dutiable value of the goods		
(b) plus the customs duties		
(c) plus a 20 per cent supplement in Australia.		

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Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc. (cont'd)</u>		
AUSTRIA		
6 1/4 per cent import excise tax. High internal taxation.	Carneuba wax. Motor cars.	BRAZIL: -- CZECHOSLOVAKIA: Appears to be a serious obstacle to Czechoslovakian export of motor cars.
BARBADOS	Automobiles.	UNITED STATES: --
	Initial registration tax of 20 per cent, levied on c.i.f. value.	
	Excise taxes, levied on c.i.f. duty-paid value.	Rum, beer, gasolino and diesel fuel.
BENELUX		UNITED STATES: --
(BELGIUM-LUXEMBURG)	Tax on cork agglomerates made with natural resins; tax-free status for eggglomeres natural resins. with pitch.	PORUGAL: Tax discrimination against import.
	All imported goods.	UNITED STATES: --
	Transmission tax or lump-sum tax, generally 7 per cent but may vary on certain commodities from 1 to 15 per cent.	BRAZIL: --
	Transmission tax - a tax normally charged on goods at each transfer of property. The products listed, however, are charged a transmission tax "forfaitaire", i.e. only once, upon entry in the country.	Certain meat preparations Cocco butter Certain preserved vegetables Oilcake Casein Sawn wood planks Plywood

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		
(BELGIUM-LUXEMBURG) (cont'd)		
Excise tax - a type of consumption tax levied on certain products, mainly alcohol and sugar, and products containing them, whatever the origin.	Certain preserved vegetables, fruit juices.	BRAZIL: --
Road tax based on fiscal horsepower. Automobiles.	United States: More burdensome on high horsepower automobiles.	
(NETHERLANDS)		
Turnover tax. Rates vary from 1-18 per cent, the majority being at 5 per cent, levied on c.i.f. duty-paid value.	All items except "necessities of life" - food, fuel, medicine, clothing, etc.	UNITED STATES: --
Excise tax levied on c.i.f. duty-paid value.	All Brazilian exports.	BRAZIL: --
	Manufactured tobacco products; ethyl, propyl and isopropyl alcohol; beer; petroleum products; and wine	UNITED STATES: --
BRAZIL		
Industrialized products tax of 4 per cent to 30 per cent levied on c.i.f. duty-paid value.	Wide variety of processed or manufactured goods.	UNITED STATES: --
The industrial products tax is not discriminatory as it is levied also, at the same level, on nationally produced articles.		

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Country maintaining restriction and description	Products affected	Country notifying and comment
C. Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc. (cont'd)		
BRAZIL (cont'd)		
Taxes on prints.	Imported films.	UNITED KINGDOM: View is reserved on agreement to Brazilian comment as shown in column 1. United Kingdom previous understanding was that after the first print all subsequent black and white prints were heavily taxed.
(1) Printed films may be imported freely. (ii) Films for development in Brazil may be imported only if importer does not buy their copyright, that is to say if the films are rented. In this case, films are admitted without exchange cover and are subject only to the income tax (as there will be remittance abroad of profits). The other taxes are also levied on national films.		
CAMEROON		
CENTRAL AFRICAN REPUBLIC		
CHAD		
CONGO (BRAZZAVILLE)	All dutiable imports.	UNITED STATES: --
Turnover tax of 10 per cent levied on c.i.f. duty-paid value. Discriminatory in that certain countries are exempt from customs duties.		
DAHOMEY	All imports.	UNITED STATES: --
Turnover tax of 1.8 per cent of c.i.f. value plus duty paid.		
DENMARK	Nearly all manufactured goods.	UNITED STATES: --
Value-added tax of 12½ per cent, levied on c.i.f. duty-paid value.		

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
6. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		
DENMARK (cont'd)		
High internal taxation.	Motor cars.	CZECHOSLOVAKIA: Appears to be an obstacle to exports of motor cars.
FINLAND		
Turnover tax - 12.4 per cent	Nearly all manufactured goods (including automobiles and motorcycles).	UNITED STATES: Higher tax incidence on higher priced cars.
	Automobiles.	
	Motorcycles.	CZECHOSLOVAKIA: Appears to be a serious obstacle to exports.
UNITED STATES:		
	Alcoholic beverages; tobacco products; mineral waters; liquid fuels.	
FRANCE		
Excise taxes (fiscal charges on alcoholic beverages).	Whisky and other grain spirits.	UNITED STATES: Tax falls more heavily on whisky than on brandy.
		UNITED KINGDOM: In addition to the added value tax (TVÄ), alcoholic beverages attract one or more of three additional taxes. The first of these, the alcohol consumption tax, was increased at the

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

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Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		<p>beginning of 1968 at a uniform rate for all types of beverage concerned. However, the grain alcohol tax, which applies to all drinks arising from the distillation of cereals, and the aperitifs surcharge have been extended to cover those products with the exception of whisky and rum. The overall effect is that the combined additional taxes on gin, whisky and vodka have been increased by 73 per cent, as against 37 per cent on rum, 40 per cent on vermouth and 56 per cent on brandy. These taxes thus discriminate against the sales of whisky and gin in France.</p>
FRANCE (cont'd)		<p>Automobiles (passenger cars).</p> <p>The registration tax is payable when a new car is purchased, which is charged at F 13.2 per CV (fiscal H.P.) for cars up to 12 CV and at F 20 per CV for cars above 12 CV. The largest car in general production in France (the 2 1/4 litre Citroen) is rated at 12 CV.</p> <p>The annual use tax (vignette) varies with CV rating and age. For vehicles up to 5 years old this ranges between F 60 and F 150 per year for cars up to 16 CV, but for cars of 17 CV, less than 2 years old, the rate is F 1,000.</p>

UNITED STATES: Increase in tax rates, effective 1 January 1968, affected all United States cars sold in France, but in effect, exempted all French-manufactured vehicles.

UNITED KINGDOM: This tax also penalizes touring vehicles of high horsepower.

UNITED STATES: Standard United States cars fall in highest tax bracket liable to payment in first year of \$200, while European cars generally pay \$30.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates; film taxes, use taxes, etc. (cont'd)</u>		
FRANCE (cont'd)		
		UNITED KINGDOM: Large new cars (e.g. Rolls Royce, Jaguar 2.4 etc. etc., Rover 3 litre and above, and the larger Fords, Rustins, Vauxhalls and Princesses) are heavily discriminated against as there is no comparable French domestic product.
		UNITED KINGDOM: ---
Car insurance rates, which are strongly subject to Government influence, also discriminate heavily against large cars.	Motor vehicles.	UNITED STATES: ---
GABON		All dutiable imports.
		UNITED STATES: ---
Turnover tax of 10 per cent, levied on c.i.f. duty-paid value, discriminatory in that certain countries are exempt from customs duties.		UNITED STATES: ---
GERMANY, Fed. Rep. of		BRAZIL: ---
Value-added tax of 10 per cent, levied on c.i.f. duty-paid value.	All manufactured products.	A 5 per cent or 10 per cent tax on practically all Brazilian exports to Germany.
Turnover tax.		DM 13.92 per kg. on coffee extract.
Consumption tax.		BRAZIL: ---

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Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		
GERMANY (cont'd)	Internal tax on imported spirits is payable immediately, while that on spirits produced domestically has a six months deferral of payment.	Spirits. GERMANY: The effect is that German distillers do not pay tax until after it has been received from customers to whom they in turn are able to offer deferred terms, whereas importers have to lock up capital in duty which is paid before distribution.
GHANA	Purchase tax of 5 per cent to 100 per cent on imports.	United States: -- Vehicles.
	Sales tax of 11½ per cent, levied on c.i.f. duty-paid value.	Most imports. United States: --
	Excise tax of 2½ per cent to 75 per cent ad valorem, levied on sales price which includes c.i.f. duty-paid value.	Selected items. United States: --
GREECE	Turnover tax on imports 2.25 per cent to 8.75 per cent, levied on c.i.f. duty-paid value.	All products. United States: --
	Luxury tax, levied on the c.i.f. value of imports; consumption tax, levied either in a specific amount or on the c.i.f. duty-and-tax-paid value.	Many products. United States: --
	Retention tax on interest earned in Greece by foreign exporters (discriminates against exports by countries without double-taxation agreements).	Wool sold on acceptance credit. AUSTRALIA: --

RESTRICTIONS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		
ICELAND		UNITED STATES: --
Sales tax of 8.25 per cent, levied on c.i.f. duty-paid value.	All products except footwear, aviation gas or line, packaging, fishing equipment, aircraft.	
INDIA		UNITED STATES: --
Discriminatory excise tax: domestically produced items manufactured under certain conditions or for a certain use are granted preferential rates.	Numerous products.	
IRELAND		UNITED STATES: --
Wholesale tax of 5 per cent or turnover tax of 2½ per cent; levied on c.i.f. duty-paid value. One or the other is paid at time of importation, depending on category of importer's registration.	Most products.	
ISRAEL		UNITED STATES: --
Purchase tax of 5 per cent to over 100 per cent, levied on c.i.f. duty-paid value.	All imports.	
Discriminatory purchase taxes.	Automobiles.	UNITED STATES: --
Discriminatory annual property tax.	Automobiles.	UNITED STATES: --

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		
ITALY		
Turnover tax of 4 per cent, levied on c.i.f. duty-paid value.	Practically all products.	UNITED STATES: -- BRAZIL: -- BRAZIL: --
Tax for the protection of domestic production ranging from 0 per cent to 7.2 per cent.	Many Brazilian exports (leather, wood, vegetable oils, preserved fruit, coffee extracts, heart of palm, essential oils, glues, industrial and domestic equipment, mica, cotton textiles, furniture).	
Excise taxes.	Cigarettes.	UNITED STATES: (See comment under State trading.)
Consumption tax.	Banana flour Lit 350 per kg.	BRAZIL: --
Road tax.	Coffee extract Lit 2,070 per kg.	UNITED STATES: Tax applies heavily on vehicles with large cylinder displacement. At the recent Kennedy Round negotiations an agreement was reached to consider elimination of the discriminatory features of the tax in return for United States modification of American valuation system for imports.
	Automobiles.	

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		
IVORY COAST		UNITED STATES: --
	Value Added Tax of 8 per cent to 43 per cent, normally 18 per cent of duty-paid value.	All imports.
JAPAN	Commodity (sales) tax and annual road tax,	Automobiles.
		UNITED STATES: Taxes levied according to cylinder capacity and wheel base thereby subjecting most United States cars to highest rate.
IVORY COAST	Whisky.	UNITED KINGDOM: Cigarette lighters valued at £ 1,700 or over are subject to a commodity tax of 20 per cent; other lighters bear no tax. Moreover the method of valuation for tax favours domestic production. As a result almost all imported lighters have to pay tax while most domestically-produced lighters do not.
	Internal tax of 150 per cent on high-priced whiskies and brandies.	CANADA: The Japanese excise tax discriminates against imported whisky. Imported whiskies are subject to a specific excise tax with ad valorem equivalent of between 150 per cent and 220 per cent, while domestically-produced whiskies face a specific tax equivalent of about 30 per cent to 100 per cent ad valorem.

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Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		
JAPAN (cont'd)		<p>UNITED KINGDOM: The Japanese whisky industry, which already enjoys the protection of a very high tariff, is afforded additional protection by the maintenance of a domestic tax system, under which all imported Scotch whisky is subject to a tax the incidence of which is considerably higher than that imposed on most Japanese whiskies. HMG have been in bilateral contact with the Japanese Government about the development of this tax system which has the effect of discriminating heavily in favour of local manufacture.</p>
		<p>UNITED STATES: <u>De facto</u> discrimination against imports since competing Japanese whiskies are subject to lower rates of taxation due to lower prices.</p>
MADAGASCAR	Consumption tax of 10 per cent-135 per cent.	Some consumer goods, such as tobacco, foot-wear, and alcoholic beverages.
MALAYSIA	Discriminatory registration fee: none for Commonwealth origin; 15 per cent for non-Commonwealth origin.	Trucks and buses used for business or public purposes.
		UNITED STATES: --

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment:
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd.)		

MAURITANIA

Turnover tax of 10 per cent to 22 per cent, levied on c.i.f. plus duty-paid plus standard tax plus fiscal tax value.

NEW ZEALAND

Sales tax.

UNITED STATES: --
All imports.

ECC: This country applies a system of sales taxes at rates varying from product to product. The tax is, however, calculated differently depending on whether the product concerned is domestic or imported.

For imported products it is calculated on the following basis:

- (a) dutiable value of the goods
- (b) plus the customs duties
- (c) plus a 25 per cent supplement in New Zealand.

The Communities consider that this system constitutes a discrimination that is not in conformity with the text of the General Agreement, and would wish it to be eliminated.

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Taxable goods which are imported by licensed wholesalers are subject to the same application of the sales tax as domestic goods when handled by such wholesalers. When taxable goods are imported other than by a licensed wholesaler the tax base is assessed from the

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Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		
NEW ZEALAND (cont'd)		sum of the value for duty and any custom duty payable advanced by 25 per cent: in such cases the rate of tax is the same as that for domestic products (40 per cent on motor vehicles and 20 per cent on all other taxable goods). See the information supplied to the Working Party on Border Tax Adjustments - Spec(68)88.
NIGER		All imports. UNITED STATES: --
		Perfumery goods, cotton and knitted goods, household utensils of aluminium.
		Cigarettes. UNITED STATES: --
NORMAY		Nearly all . UNITED STATES: -- products.
		All import- UNITED STATES: Domestic goods moving in ted internal trade are not taxed. products.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd.)		
NORWAY (cont'd)		
Excise tax: 35 per cent on first \$840, 60 per cent of amount over \$840. Rates will change July 1968.	Motor vehicles.	UNITED STATES: Progressive nature of automobile tax weighs more heavily on expensive models.
Excise tax: 60 per cent on the first 5000 Norwegian Kroner and 90 per cent of amount over 5000 Norwegian Kroner. The percentages will change to 67 per cent and 100 per cent respectively as from January 1969.		
PAKISTAN		
Sales tax of 15 per cent in most instances, levied on c.i.f. duty-paid value.	Most products imported for sale.	UNITED STATES: Single-point sales tax, generally levied on both imported and domestically-produced goods, levied at import, manufacturer, or wholesale point (but only one of these). Exemption for capital goods and certain other items. On a few items, tax is levied on imported but not on domestically-produced goods.
PORUGAL		
Transaction tax of 7 per cent (20 per cent on luxuries) levied on 140 per cent of c.i.f. duty-paid value.	Most products.	UNITED STATES: --
Sales tax.	Automobiles.	UNITED STATES: Sales tax on automobiles, which is progressive, is particularly burdensome to the higher priced product.

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Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc. (cont'd)</u>		
RWANDA		
Consumption tax.	Alcoholic beverages, petroleum products and tobacco products.	UNITED STATES: ---
SENEGAL		
Turnover tax of 10 per cent to 22 per cent, levied on c.i.f. plus tariff plus fiscal plus statistical plus standard taxes.	All imports.	UNITED STATES: ---
SPAIN		
Dubbing tax.	Motion pictures.	UNITED KINGDOM: A tax is paid when dubbing, i.e. adding a Spanish language sound track to the film, is done. The rate depends on the origin of the film and falls within the following range: Black and white Ptas 150,000 to 650,000 (Ptas 275,000) Wide screen Ptas 150,000 to 650,000 (Ptas 325,000) Colour Ptas 150,000 to 700,000 (Ptas 360,000) Cinemascope colour Ptas 150,000 to 1,000,000 (Ptas 500,000). The actual rate for British films is in brackets.
		UNITED STATES: Tax varies with country of origin, the charge on United States films being the highest.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc. (cont'd)</u>		
SWEDEN		
Turnover tax of 11.1 per cent, levied on c.i.f. duty-paid value.	All imports.	UNITED STATES: --
Sales tax, levied on c.i.f. duty-paid value.	Certain rugs, articles of gold and silver, precious stones, phonograph mechanisms and records.	UNITED STATES: -- <u>The tax is no longer charged on phonograph mechanisms and records.</u>
Fur tax of 2 per cent to 10 per cent, levied on c.i.f. duty-paid value.	Certain furs.	UNITED STATES: --
Commodity tax of 20 per cent to 65 per cent, levied on c.i.f. duty-paid value.	Toilet articles, cosmetics, and similar preparations.	UNITED STATES: --
SWITZERLAND		
Turnover tax of 5.4 per cent levied on c.i.f. duty-paid value.	All products.	UNITED STATES: --
Road tax and compulsory auto-insurance rates based on horsepower.	Motor vehicles.	UNITED STATES: --
TOGO		
Transactions tax, levied at 17 per cent of c.i.f. value, plus all taxes.	All imports.	UNITED STATES: --
Luxury tax of CFAF 40.	Textiles, alcoholic beverages and perfumery goods.	UNITED STATES: --

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc. (cont'd)</u>		
TRINIDAD AND TOBAGO		
Variable consumption tax, charged at higher rates on products not subject to domestic competition.		SWITZERLAND: --
TUNISIA		
Production tax of 15.1 to 19.9 per cent, levied on duty-paid value.	All imports.	UNITED STATES: --
Consumption tax of 9.25 to 31.9 per cent, levied on duty-paid value.	All imports.	UNITED STATES: Not applied when consumption duty is assessed. Soap and perfume subject to both however.
Consumption duty of 11 to 88 per cent.		UNITED STATES: --
TURKEY		
Discriminatory production tax ranging from 10 per cent to 75 per cent of sum of c.i.f. value, customs duty, customs surtax, port tax and customs clearing expenses.	Most imports.	UNITED STATES: Some manufactured goods produced domestically are not subject to this tax.
Discriminatory film tax: foreign films - 70 per cent; domestic films - 25 per cent.	Motion picture films.	UNITED STATES: --
		UNITED KINGDOM: In Turkish cinemas the admission tax for foreign films is higher than for national films viz.: national films, 20 per cent; foreign films, 42.5 per cent.
Communal tax, calculated on the c.i.f. value.		SWITZERLAND: Discriminatory taxes charged only on imported products.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc. (cont'd)		
UNITED ARAB REPUBLIC	Imported films are subject to a tax of LE 150 for each film.	
UNITED KINGDOM		UNITED KINGDOM: --
UNITED STATES	High internal taxation.	
	Motor cars.	CZECHOSLOVAKIA: Appears to be a serious obstacle to Czechoslovak exports.

EPC: In the United States, spirits at a strength of more than 48° 20 G.L. are taxed on a proof gallon basis, while spirits of below that strength are taxed on a wine gallon basis. In other words, imported spirits with an alcohol content below proof strength are subject to customs duties and excise taxes as if they were at 100° proof strength, i.e. 48° 20 G.L. This tax system would appear to affect domestic and imported spirits alike, but in practice is applied only to spirits imported in bottles, because only the latter are at the consumption stage when the fact generating the tax takes place. This is because for domestic products, dilution to the consumption level (by the addition of distilled water) takes place only after taxation.

The system affords additional protection to domestic producers of competing brandies and spirits in general, equivalent to the amount paid in respect of excise tax and customs duty on the distilled water content in spirits imported in bottles.

¹ The contracting parties are not agreed as to whether these products should be classified in the agricultural or the industrial sector; the system could therefore be discussed either in the Agriculture Committee or in the context of negotiations on non-tariff barriers affecting trade in industrial products.

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Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		

UNITED STATES (cont'd)

The Commission considers that the excise tax system described above results in undue discrimination to the advantage of domestic producers of spirits, contrary to the provisions of Article III of GATT. It therefore requests the United States Government to replace the present system of charging tax and customs duties by a system under which all spirits, whatever their strength, would be taxed on the basis of the actual alcohol content.

Measurement of alcoholic content.

Spirits.

UNITED KINGDOM: United States legislation on the assessment of internal revenue tax on spirits provides that the tax shall be charged on a proof gallon basis or, if the spirits are below proof strength at the time of assessment, on a wine gallon basis. Under this system, Scotch whisky imported in bottle at the usual strength of 86° proof effectively pays a higher rate of tax than American domestic bottled spirits of the same strength, the latter being assessed when at proof (i.e. before dilution to 86° proof).

A similar distinction between proof and below-proof spirits is drawn for import duty purposes.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
C. <u>Discriminatory excise taxes, government-controlled insurance rates, film taxes, use taxes, etc.</u> (cont'd)		This system gives a margin of protection to United States domestic bottled spirits at 86° proof of \$1.85 per United States proof gallon (i.e. \$1.71 internal revenue tax and \$0.14 import duty) over and above the normal import duty of \$0.91 per proof gallon.
UNITED STATES (cont'd)		This matter was raised in the Kennedy Round without success and is now the subject of an action in the United States courts where an importer of Scotch and Irish whiskies claims that the discrimination is contrary to the United States-Irish Treaty of Friendship, Commerce and Navigation of 1950 and the 1815 Convention of Commerce between the United States and the United Kingdom.
	Sparkling cider or perry.	UNITED KINGDOM: Sparkling cider or perry is treated as a sparkling wine (such as champagne) with an excise tax of \$3.40 or \$2.40 per gallon. Still cider, classed as a still wine of comparable strength, pays an excise tax of only 17 cents a gallon. This disparate treatment, which is completely anomalous, effectively prevents the sale of our sparkling ciders and perrys in the United States. <u>For customs duty purposes</u> still and sparkling ciders are treated the same. ⁷
	Classification for purposes of excise tax imposition.	COM. IND./Add. 5 Page 43

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
D. Discriminatory credit restrictions		
ARGENTINA	Minimum credit terms. Payment schedule prescribed by Central Bank for shipments exceeding \$10,000. Minimum payment terms change from 2 years for goods valued up to \$30,000 to 5 years for goods valued up to \$1,000,000.	UNITED STATES: -- Capital goods.
BRAZIL	At present there is no obligation to import those goods on credit terms. Only the payment schedule adopted by the Bern Union is applicable in cases when private foreign credits are used.	UNITED KINGDOM: -- Imports are not allowed on credit terms if such goods can be supplied within certain limits of price, quality and delivery date by Brazilian industry. A claim by a Brazilian manufacturer that he can satisfactorily supply goods must be examined; even if an import certificate is eventually granted, this process can be lengthy. Financed imports enjoy a Governmental benefit. As such, they may be curtailed. So, and in accordance with norms accepted by international financing institutions and in accordance with Brazilian legislation, financed imports are not admitted if the goods concerned can be supplied within legally established limits of price, quality and delivery date by the Brazilian industry.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
D. Discriminatory credit restrictions (cont'd)		
DOMINICAN REPUBLIC	Wide range of products are importable only under prepaid letter of credit.	UNITED STATES: ---
FINLAND	Discriminatory credit restrictions: for imported cars from certain bilateral trading countries, minimum down-payment 40 per cent with 18 months to pay balance. For imports from other countries, 60 per cent down-payment with 9 months to pay remainder.	Passenger cars. UNITED STATES: ---
GREECE	Limit on terms of credit, or advance cash deposits of varying amounts between 40 per cent and 140 per cent of the c.i.f. value.	All imports. UNITED STATES: Requirement is more severe for luxury items and less stringent for products considered essential. Payment terms for purchase of machinery and parts limited to 36 months (extensions possible). Advance cash deposits of up to 140 per cent of c.i.f. value required for such items as textiles, meat preparations, confectionery, and furniture.
		UNITED KINGDOM: A two-month "freeze" on repayment of those deposits has operated since June 1966.
		JAPAN: This has a restraining effect on Greek imports.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
D. Discriminatory credit restrictions (cont'd)		
INDIA		
Special licensing terms:	Capital goods, heavy electrical plant, and machine tools valued at \$100,000 or more.	UNITED STATES: —
Imports are permitted if covered by long-term (ten years) foreign loans or investments, private or governmental; also for maintenance and replacement and for purposes requiring small cash payments.		
INDONESIA		
One per cent tax on letters of credit.	All products.	UNITED STATES: —
ISRAEL		
The Israeli exchange control system requires all imports to be paid for on a cash, short-term or, exceptionally long-term basis.	All imports.	UNITED KINGDOM: This acts as a hindrance to trade.
JAPAN		
Restrictions on credit for importers.	All products.	UNITED KINGDOM: The approval of MITI is required for all imports which are not paid for by the "standard method of settlement". All arrangements for long- and medium-term deferred payments are excluded from the standard method and thus fall within the competence of MITI to control. This regulation constitutes a serious restriction on trade in goods which is normally transacted on the basis of long- or medium-credit terms. It can be used as a means of preventing the import of goods not subject to any formal restrictions. This matter has been the subject of representations during bilateral negotiations.

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Country maintaining restriction and description	Products affected	Country notifying and comment
D. Discriminatory credit restrictions (cont'd)		
TURKEY	Deposit period for bilateral agreement imports All imports. is shorter.	SWITZERLAND: --
URUGUAY	Three-year foreign financing required.	UNITED STATES: --- Most capital goods.

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Country maintaining restriction and description	Products affected	Country notifying and comment
E. Consular fees		
ARGENTINA	Consular fee of 1.5 per cent (ad valorem Hong Kong) levied on f.o.b. or c.i.f. value of imports depending how the transaction is agreed.	UNITED STATES: As the value of the shipment increases, the amount charged is out of line with service performed. SWITZERLAND: -- HONG KONG: -- UNITED KINGDOM: --
CHILE	The fee must be paid to the Consulate within whose jurisdiction the commercial invoices to be notarized are issued. <u>The fee amounts to compensation for services rendered.</u>	HONG KONG: -- The consular fee is 2 1/4 per cent ad valorem of the value free alongside steamer. Where there is no consular representation in the exporting country, the fees must be paid at destination.
DOMINICAN REPUBLIC		
ITALY	The fee on consular invoices is 3 per cent ad valorem of the f.o.b. value.	HONG KONG: -- Inordinately high fees are charged by the Italian Consulate General in Hong Kong for consular endorsement of certificates of Hong Kong origin. These charges range from US\$3.30 for consignments valued below US\$25 to US\$16.50 for consignments valued over US\$3,200.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
E. Consular fees (cont'd)		
NICARAGUA		
A legalization fee for commercial invoices of £2.2s.0d. for sea freight and £1.13s.6d. for air and parcel post consignments is payable.	UNITED KINGDOM: -- CANADA: --	
A consular duty of 7 per cent of the f.o.b. value of goods not on the harmonized Central American Common Market Tariff is payable by the importer on arrival in Nicaragua.	UNITED KINGDOM: -- UNITED STATES: -- CANADA: -- Goods include radios, television receivers, vehicles and refrigerators.	
PERU		
A legislation fee is theoretically possible but may be waived at the Consul's discretion. An additional 50 per cent of the fee is charged if documents are not presented at least 3 days before sailing.	SWITZERLAND: -- UNITED KINGDOM: -- CANADA: -- HONG KONG: --	
Fees charged are on a sliding scale.		
TURKEY		
Consular invoice fee ranging from 0.3 per cent to 0.5 per cent of f.o.b. value.	UNITED STATES: --	
UNITED ARAB REPUBLIC		
The fee for endorsing commercial invoices is:		HONG KONG: In most of the listed cases it is not possible to establish whether the practices are world-wide or peculiar to Hong Kong. All are incompatible with Article VIII of the GATT.
(a) US\$14.20 for the first \$700 sterling (approximately US\$1,684.47) or part thereof; plus		
(b) 1/4 per cent ad valorem of the amount in excess of \$700 sterling.		

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Country maintaining restriction and description	Products affected	Country notifying and comment
E. <u>Consular fees</u> (cont'd)		
UNITED ARAB REPUBLIC (cont'd)		
The fee for endorsing certificates of origin is fixed at US\$14.20 per certificate.		
A charge is made for legalization of invoices.		
URUGUAY		
Consular invoice charge: 12 per cent f.o.b. value.	All imports.	UNITED STATES: --
Consular duties.		CANADA: --
		SWITZERLAND: Multiple exchange rates applied through charging "consular duties".

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
F. <u>Stamp taxes</u>		
DAHOMEY	Stamp duty of 3 per cent of all taxes and duties.	ALL imports UNITED STATES: -
TOGO	Fiscal stamp tax of 2 per cent on all customs invoices.	All imports. UNITED STATES: -
TURKEY	Stamp tax of 15 per cent, levied on c.i.f. value.	All imports. UNITED STATES: -
		SWITZERLAND: Discriminatory tax charged only on imported products.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
G. <u>Variable levies</u> AUSTRIA	<p>Levies on imports of sugar, starch and of products made of these and other agricultural raw materials:</p> <p>In lieu of customs duties, skimming charges may be collected. Skimming charges are based on price differentials between threshold and gate prices. They consist of a fixed protective element, i.e. 20 per cent ad valorem, plus a variable amount depending on the content of protected material in the imported product.</p>	<p>CASEIN, caseinate UNITED STATES: —</p> <p>Casein, caseinate; albumin, albuminate and derivatives; dextrine and dextrin glue; soluble or roasted starch; gums made from starch; preparations for the textile, paper, and leather industries, or for similar industries, containing starch derivatives.</p> <p>Levies currently in force:</p> <p>Import levy of 20 prr cent a.v. plus \$ 549 per 100 kgs.</p> <p>Import levy of 20 per cent a.v. plus \$ 525 per 100 kgs.</p> <p>Core binders used UNITED STATES: —</p> <p>Core binders used in foundry work on basis of starch and dextrine.</p> <p>Starch-ether UNITED STATES: —</p> <p>Starch-ether soluble in water, starch esters.</p>

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
G. Variable levies (cont'd)		
BELGIUM-LUXEMBURG		
Variable levy - a surtax charged to the importer on certain products in order to raise their price so as to protect the domestic producer.	Certain meat preparations, tapioca, fruit juices.	BRAZIL: ---
EEC	Processed foodstuffs.	UNITED KINGDOM: United Kingdom exporters are adversely affected, not only by the incidence of the levy on the sugar, milk or cereal content of processed foodstuffs but also by the general uncertainty which the system has created. In particular:
		(a) because of the frequent changes in the variable elements, manufacturers experience difficulty in calculating their intended market prices and their forward planning is hampered;
		(b) information about changes in the levy rates is often not available promptly;
		(c) there appear to be different interpretations of the regulations in the several member countries and because of this manufacturers have run into unexpected problems. For example, there have been difficulties with the German authorities in agreeing how the raw materials content of goods should be determined. Also EEC exporters receive restitutions based on the size of the variable levies on imports.
		The system of variable levies applied by the Community has been notified by the United Kingdom and New Zealand with regard to specified products: processed foodstuffs, milk powder and canned meat. Without prejudice as to whether there is cause to question these measures, the Commission considers that as the products concerned are agricultural and the measures are integral parts of the agricultural policy, the variable levies should not be examined by the Committee on Trade in Industrial Products and that they should thus not be included in a list drawn up for that Committee.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
G. Variable levies (cont'd)		
EEC (cont'd)		
		United Kingdom exports of confectionery have been most seriously affected, but the régime has caused considerable difficulties for United Kingdom exports of a number of other products, including biscuits and lemon curd.
	Processed foods with a fruit or vegetable base.	UNITED KINGDOM: The EEC has also recently published proposals to extend variable levies to all processed foods with a fruit or vegetable base. These include such items as canned fruit and vegetables, jams and marmalades, fruit juices and pickles. The most important item for the United Kingdom is jam and marmalade; our exports to the EEC were worth £343,000 in 1966. These regulations are due to come into effect in July 1968.
	Milk powder, canned meat.	NEW ZEALAND: ---
KOREA	A provisional special customs duty, which is levied on approximately 2,900 commodity items is determined by such fluctuating factors as domestic wholesale prices of imported goods, and foreign exchange rates.	JAPAN: It is difficult for importers to form a plan on purchasing foreign goods. Moreover, to impose such specific duty results in the increase of domestic prices of imported goods by 200-600 per cent of c.i.f. value. This system has a restraining effect on import transactions.
PAKISTAN	Equalization payments on landed cost of imports.	UNITED STATES: Iron and steel, cement, coal, edible oils, electrical and

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
G. Variable levies (cont'd)		
PAKISTAN (cont'd)	Equalization surcharge is levied on products from the cheaper of various foreign sources equal to the difference between lower priced and highest priced imports.	pumping equipment, and diesel engines.

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Country maintaining restriction and description	Products affected	Country notifying and comment
H. <u>Border tax adjustments</u>		
GENERAL COMMENTS		JAPAN: Another matter which may require attention, though now under consideration elsewhere is border tax adjustments.
		UNITED STATES: Border tax adjustments and changes in such taxes relative to the tax rates on domestic goods are significant elements in the trade of a number of countries relying extensively on indirect taxes. The extent to which such taxes are non-tariff barriers and the rules relating to their operation need to be re-examined in the light of modern economic theory. Inasmuch as such an examination has been initiated in GATT, it has not been considered necessary or advisable to provide detailed coverage in this summary.
AUSTRIA	All imports.	UNITED STATES: --
	Border taxes ranging from 6.25 to 13.0 per cent.	
FRANCE	All imports.	UNITED STATES: --
	Border tax. Normal rate applicable to most industriel products is 20 per cent. For imports, tax is levied on duty-paid c.i.f. value.	CANADA: Differential rates on product allocation basis can cause problems.
ITALY		UNITED STATES: --
	Compensatory import tax of up to 7.8 per cent, levied on c.i.f. duty-paid value.	SWITZERLAND: Basis of calculation cannot be verified; perhaps protective.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
H. <u>Border tax adjustments</u> (cont'd)		
ITALY (cont'd)		
Border tax:		
	Meat extracts Lit 250 per kg.	BRAZIL: --
	Soy meal Lit 7 per kg.	
	Cocoa paste Lit 315.50 per kg.	
SPAIN		
Compensatory Import Tax Range:	All imports.	UNITED STATES: --
3 per cent to 15 per cent (8 per cent to 12 per cent - United Kingdom).		UNITED KINGDOM: --
Average: 5 per cent to 10 per cent. Assessed on c.i.f. duty-paid value.		
UPPER VOLTA		UNITED STATES: --
Compensatory tax - 3.5 per cent.	All imports.	

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

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Country maintaining restriction and description	Products affected	Country notifying and comment
X. <u>Emergency action</u>		
GENERAL COMMENTS	AUSTRIA: Administrative authorities of some countries impose additional duties upon request of industries or employees who consider that imports under tariff concessions create damage to their economic interests. When such requests have been submitted, these countries often reintroduce tariff rates applicable prior to the entrance into force of the rates of concessions.	PORUGAL: In addition to the restrictions allowed under the General Agreement of Tariffs and Trade as related to deficitary payment balances, certain countries have set up restrictions of a temporary and in some cases undefined character, introduced unilaterally with the object of protecting domestic production affected by foreign competition.

AUSTRALIA

Under the Australian tariff system, temporary duty or temporary import restrictions can be imposed on imports as emergency measures.

The reference to "temporary duty" should be omitted (being a tariff measure) and the word "frequent" should be omitted from the comment, because temporary quantitative restrictions are rarely used.

The second sentence in the comment should be omitted since it is factually incorrect.

JAPAN: Frequent recourse to these measures has adverse effects on the stability of transaction and also on the trade.

Furthermore, in some cases these measures are resorted to without reasonable grounds.

RESTRAINTS ON IMPORTS AND EXPORTS BY THE PRICE MECHANISM

Country maintaining restriction and description	Products affected	Country notifying and comment
X. <u>Emergency action (cont'd)</u>		
UNITED STATES		
Escape clause tariff action.		

UNITED KINGDOM: The Trade Expansion Act of 1962 gives powers to the United States President to increase the rate of import duty on any item in the United States tariff in order to effect additional protection to a domestic industry. Although such "escape clause" action is generally advanced as a temporary measure, the additional duty can be as much as 100 per cent on the m.f.n. rate and may be applied over a period of several years. There are alternative means of providing economic assistance to industry, where this is found to be necessary and we feel that such other measures could be used more frequently and with better effect than the escape clause action which disrupts, and in certain cases may completely destroy, legitimate foreign trade.

JAPAN: Invocation of escape clause measures as well as frequent investigation under the escape clause affect the stability of trade.