

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE  
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

COMMISSION A

Summary Record of the Thirtyfirst Meeting  
held on Monday, 21st July 1947, at 10.30 a.m.  
in the Palais des Nations, Geneva.

Chairman: H.E. Erik Colban.

The Commission resumed its discussion of the technical articles in document E/PC/T/103.

Article 18 - Valuation for customs purposes.

Paragraph 1. The text was approved.

Paragraph 2. The Commission considered whether to retain the explanatory note referring to the words "at the earliest practicable date" or to insert in the text, as suggested by the Belgian, French and Netherlands Delegations, a definite period of three or six months for giving effect to the valuation principles set out in this paragraph. The Commission agreed to the proposal of the Delegate for the United States to alter the explanatory note to the effect that the Commission appreciated that it would not be possible for all Members of the Organization to give effect to these principles by a fixed time, but it was nevertheless understood that a majority of the Members would give effect to them at the time the Charter enters into force.

Sub-paragraph 2 (a). The Commission decided to retain the second paragraph of the commentary to the effect that it would be in conformity with this Article to presume that "actual value" may be represented by the invoice price plus certain charges and discounts.

With reference to Section (ii), the delegate for Chile enquired whether it would be permissible to maintain a system of

valuation whereby a value is fixed for a tariff item and maintained for all imports for a certain period. The Members of the Commission expressed the view that this system would not be permitted, and the delegate for Chile stated that in those circumstances it would be necessary for him to reserve his position for the time being.

Referring to the third paragraph in the commentary in which it was recorded that the Sub-Committee had considered that the words "between independent buyer and seller" might be deleted, the delegate for the United Kingdom stated that his delegation could not agree that the phrase "under fully competitive conditions" covered the same concept, and therefore he could not accept the deletion of the former phrase.

After discussion it was agreed to insert the following after the first sentence in Section (ii):

"In determining whether the conditions of sale are fully competitive a Member may have regard to the question whether the transaction is one between buyer and seller who are independent of each other".

This wording was accepted subject to confirmation at the next meeting.

The Commission decided to maintain the fourth paragraph in the commentary relating to the phrase "fully competitive conditions", but that it should be re-written as follows:

"The Commission considered that the prescribed standard of "fully competitive conditions" would permit Members to exclude from consideration distributors' prices which involve special discounts limited to exclusive agents."

The Commission approved a proposal, based on the Australian delegation's suggestion in E/PC/T/W/247, to add

the following note to the commentary:

"The Commission considered that the wording of the present text of (i) and (ii) of sub-paragraph (a) would permit a Member to assess duty uniformly either on the basis of a particular exporter's prices of the imported merchandise or on the basis of the general price level of like merchandise."

Sub-paragraph 2 (b). The text was approved.

Sub-paragraph 2 (c). The delegate for the United States put forward a tentative proposal for the revision of Section (iii). The delegate for Belgium said that he would be prepared to support its adoption. Further discussion was postponed.

The meeting was adjourned at 1 p.m. and the Chairman stated that the Commission would continue its discussion of Articles 18 and 37 at the next meeting on Wednesday 23 July.