

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMPLOYMENT

COMMITTEE II

Observations of the United Kingdom Delegation on
items 2 - 7 of the Provisional Agenda of the
Technical Sub-Committee on Customs Procedure

(Reference is to the Articles of the
United States Draft Charter)

Article 9

The United Kingdom Delegation are in broad agreement with the
provisions of this Article subject to the following points and
observations:

(a) Paragraph 1 should, in the United Kingdom delegation's
view, be extended to refer to "internal taxes and other internal
charges imposed on or in connection with like products"

(b) As regards internal regulation, the United Kingdom film
quota is the only instance of an inconsistency with the principle
of national treatment and the United Kingdom delegation reserve
their views on this point.

(c) The question of preference to home supplies in public
contracts has been considered in Committee II. The United
Kingdom delegation therefore refrain from repeating their views
in this context.

Article 10

1. The United Kingdom suggest that air traffic should be specifically
excluded from this Article since this is the responsibility of a separate
international organization (ICAO).
2. While agreeing with paragraph 3, the United Kingdom delegation feel
that it would be difficult, if not impossible, on administrative grounds
to maintain any differentiation under this rule against non-member countries.

Article 11

1. There are no anti-dumping or countervailing duties in the United Kingdom, and the United Kingdom delegation doubt the wisdom of allowing anti-dumping duties at all in a convention which is designed to reduce duties and in general to eliminate practices injurious to international trade. Such duties are open to the following criticisms:

- (a) They might be levied on top of the duties reduced under the convention.
- (b) The facts as to dumping are often difficult to establish, and the way is left open for arbitrary action.
- (c) A loophole might be open for the evasion of most-favoured-nation treatment.

2. If, however, this view does not find general acceptance, the United Kingdom delegation suggest that the definition of the margin of dumping should allow for the addition to the price of a product exported from one country to another of pre-importation charges.

Article 12

1. In the view of the United Kingdom delegation the interpretation of this Article turns upon the meaning attached to:

- (i) "standardization" in paragraph 1, and
- (ii) "actual value" in paragraph 2 (a).

This Article is, in any case, so fundamental that the United Kingdom delegation feel that no solution can be hoped for except as a result of the fullest possible discussion in the Sub-Committee.

2. For the information of other delegations who may be in doubt about the matter, the system in force in the United Kingdom is, briefly, the price which the goods would fetch at a sale in the open market at the time of importation, costs, charges and expenses having been paid by the seller.

Article 13

The United Kingdom delegation are in general agreement with this Article but would suggest that it be reviewed in the light of the existing Customs Formalities Convention, Geneva, 1923.

Article 14

It appears to the United Kingdom delegation that the rules suggested in the United States draft charter call for further elucidation and possible amendment in a number of respects. They accordingly suggest that the whole matter should be remitted for detailed study to the ITO. Meanwhile, the terms of the Article might be confined to:

- (i) an undertaking by members on the lines of paragraph 1 of the Article as at present drafted, but amended to read, e.g. "reduced to the minimum practicable in their particular circumstances", and
- (ii) an undertaking by members to participate in the study by ITO and to give careful consideration to any recommendations or proposals which may result from it.
