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MEETING OF EXPERTS ON PASSPORTS AND FRONTIER FORMALITIES

MINUTES OF THE TWELFTH PLENARY MEETING

held at the Palais des Nations, Geneva,
on Tuesday, 22 April 1947, at 10.30 a.m.

CHAIRMAN: Mr. C.D. CAREW-ROBINSON (United Kingdom)

1. Item II B. of the Agenda - Currency Control (Continuation of Discussion).

The CHAIRMAN declared the meeting open and said that the conclusion had been reached at the previous meeting that, while the precise regulations made by each country regarding currency control were outside the competence of the Meeting of Experts, they could discuss the frontier formalities involved. The United States delegation had submitted a resolution in document E/CONF/PASS/PC/7, and the question was also referred to in documents E/CONF/PASS/PC/4 and 5. The operation of currency control at frontiers should be expedited and that would be generally accepted provided the efficiency of such control was not thereby prejudiced.

Mr. MANN (United States of America) said that during the War the United States Government had been forced to adopt certain exchange control directed towards preventing its enemies from using the financial facilities of the United States. That control had now been relaxed and it was hoped that all control would be abolished before too long a time had elapsed. The United States delegation had made two specific recommendations in connection with travel: firstly, the recommendation that the carrying of scrip or currency through countries should be facilitated. Many countries had prohibited the carrying of scrip or currency through their territory and the United States delegation had suggested that where such prohibition existed the traveller should be given a certificate at the frontier which would permit him to take his currency and scrip through the country and, on presentation of the certificate at the point of departure, he would be allowed to take such currency or scrip out of the country. As an alternative, the United States delegation had proposed that currencies might be sealed and taken through a country. The United States delegation favoured that proposal because it not only facilitated travel but also because it was in line with the policy of their Government towards an overall relaxation of currency control. There were no restrictions in the United States against the importation of any foreign currency or of domestic currency.

Mr. THORLEY (United Kingdom) referring to the United States proposal, said that it had three distinct elements:- money, scrip and the practice of sealing. He assumed that in using the term "money" the framers of the resolution had in mind what he understood by banknotes, and that the resolution aimed at preventing a situation in which a traveller was allowed to bring notes into a country and then found, on leaving that country, that the export of those notes was prohibited. As regards sterling notes, no certificate was necessary for passengers entering and leaving the United Kingdom, as the sum allowed in was the same as that allowed out, namely £20. The traveller bringing in foreign notes was allowed to have their value stamped on his passport by way of record, and he could take the same quantity out with him provided he was in transit. He presumed the United States resolution was not aimed at altering the present maximum limits for the importation of national currency into a country, thus allowing a traveller to bring in an unlimited quantity of notes on his own statement that he intended taking them out again. Such notes could be sold by the traveller and it would only be on his leaving the country that that would be found out.

Mr. ANDERSEN (Denmark) said that on arrival in Denmark all travellers bringing in foreign exchange were issued with a certificate by the Customs authorities and that entitled them to export the same amount of foreign exchange without obtaining the permission of the National Bank.

Mr. CONTEMPRE (Belgium) considered that currency control at frontier should be simplified in order not to hold up travellers. Belgium had bilateral agreements with certain countries regarding currency control and travellers who wished to take currency out of Belgium obtained a certificate from the National Bank. That certificate contained the number of the traveller's passport and other pertinent details and so the control at the frontier was simplified both when a traveller left the country and when he returned. He felt that it was better for a traveller to be in possession of such a certificate than to have the amount of currency in his possession stamped in his passport, as the validity of that passport might expire.

Mr. PERIER (France) supported the United States proposal and said that French currency regulations were the same as those of Denmark. A foreigner could bring into France as much foreign currency as he wished on condition that it was noted in his passport, and he could re-export the same sum. He had prepared a summary of French currency legislation and asked that it might be attached as an annexe to the reply to the questionnaire on visas.

Mr. FOMBONA (Venezuela) speaking from experience as a traveller, said he knew how difficult journeys were made by the control of foreign exchange at frontiers. In Venezuela there was no such control and a traveller might enter or leave that country with an unlimited amount of currency and also securities. Therefore, his Government would support any efforts to improve the existing systems of currency control at frontiers.

Mr. FERNANDEZ-RIVERA (Mexico) said that Mexico had practically no restrictions regarding the import and export of currency with the exception of the restrictions regarding gold coins.

The CHAIRMAN asked whether he understood rightly that the method of control proposed in the United States resolution was in substance the type of control already in operation in Belgium, France and the United Kingdom, subject only to detail.

Mr. THORLEY (United Kingdom) pointed out that his Government were prepared to facilitate the export of foreign currency by passengers going through the United Kingdom provided such currency was legally imported, and the amount brought in was stamped on the passport. Travellers could not bring in or take out of the United Kingdom more than £20 in sterling notes. If countries allowed foreign currency to be exported without limitation that would result in a drain on the national currency.

Mr. PERIER (France) said that France had bilateral agreements with Belgium, the Belgo-Luxembourg Union and the United Kingdom concerning the amount of foreign currency which might be imported. His statement that a foreigner could bring into France as much foreign currency as he wished, provided that it was stamped on his passport, and could re-export the same sum, applied to the nationals of those countries with which France had no bilateral agreement.

Mr. MANN (United States of America) addressing himself to the remarks of the representative of the United Kingdom, said that everyone would appreciate the difficulty he had mentioned in so far as the importation of the currency of a particular country was concerned. He pointed out that the United States proposal referred not only to a certificate, but also to sealing, and he did not see how anyone could object to currency being sealed at the frontier and taken through a country.

The CHAIRMAN asked what happened if a traveller who wished to enter the United Kingdom had in his possession at the port of entry more than the permitted amount (a) of sterling or (b) of foreign currency. It obviously could not all be confiscated. How was the traveller able to take it out of the country when he left?

Mr. THORLEY (United Kingdom) said it was the practice in the United Kingdom to seize all amounts in excess of the maximum which a traveller passing through that country might bring in. If it appeared, on careful examination, that the traveller had been the victim of an unfortunate mistake, the currency notes were returned to him as far as possible in the place where he had acquired them.

Mr. CONTEMPRE (Belgium) said that the procedure followed by his country regarding the control of currency was similar to that used by France. He thought that the suggestion regarding the currency certificates was useful, as they would obviate the necessity of having a large number of stamps and markings on the passport.

Mr. PERIER (France) explained that the French system regarding the importation of French currency was similar to that used by the United Kingdom. The amount of money allowed to be imported was 4,000 French francs, and if the traveller had in his possession more than this amount, it would be taken away by the Customs officer. In exchange, a certificate would be given for the amount of money removed and this money would be returned to the traveller at his point of departure from the country. The traveller was at liberty to depart from the country at any recognised point and his certificate would be honoured there.

THE CHAIRMAN felt that the United States proposal was not entirely acceptable to the Meeting and asked whether there were any other suggestions regarding its content.

Mr. MANN (United States of America) was of the opinion that although questions had been asked concerning the United States proposal, he did not understand that any actual opposition had been expressed.

Mr. THORLEY (United Kingdom) outlined his doubts on the rather wide scope of the United States proposal. He felt that if countries allowed travellers to import an unlimited quantity of money there was no guarantee that the traveller would not dispose of it in the country. The representative of the United Kingdom thought that the best method was to limit the importation of national currency.

Mr. MANN (United States of America) wished to make it clear that there was nothing in the United States proposal intended to recommend to governments that they should allow the free importation of currency, or change their own regulations on limits of national currency to be imported. He felt that, to meet the objections raised, it might be profitable to discuss matters of sealing sums of currency.

Mr. PERIER (France) suggested that as the United States proposal was not entirely acceptable in its present form, it might be possible to add another alternative method: namely, that of depositing a sum on entering the country and the recompense of the same amount on leaving the country. The system to be carried out by means of a currency certificate.

Mr. MANN (United States of America) said he was quite willing to recognise the French proposal as another alternative method.

Mr. STOPPANI (International Chamber of Commerce) considered that there was danger in mixing the question of the importation of foreign money with the question of the quantity of money which might be brought into a country. Regarding the latter point; if a State had settled the maximum amount which might be imported, it had every right to keep to this figure. The International Chamber of Commerce was more interested in the question of the importation of foreign currencies. In view of this he suggested that the second sentence of the United States proposal should include the word "foreign".

The custom in most European countries with respect to importation of foreign currency was that the traveller received a certificate for the sum imported, or else had the amount stamped on his passport. If he changed any of this money while in the country, the transaction was made through an authorized bank at the prevailing official exchange rates, so that when he left the country he could show exactly how any difference in currency had been negotiated.

Mr. MIKAOUI (Lebanon) thought that if a country wished to limit the amount of foreign or national currency imported, this was a matter within the internal regulations of the State concerned and, as such, outside the terms of reference of the present Conference. He felt that the Conference could only deal with the formalities at the frontier regarding the application of whatever law the country concerned might choose to apply.

Mr. THORLEY (United Kingdom) considered that the proposal made by the representative of the International Chamber of Commerce offered the best solution to the problem, and subject to necessary drafting changes, the United Kingdom might agree to the formula.

The representative of the United Kingdom said that his country had very few restrictions on the importation of foreign currency into the United Kingdom. There were no restrictions at all regarding the importation of currencies of the Western hemisphere. The United Kingdom had various bilateral agreements with European countries regarding currency questions.

Mr. MANN (United States of America) pointed to a fundamental difference in the views expressed on the question of national currency. He thought that the Drafting Committee would find it difficult to achieve an agreed formula on the matter of an excess of national currency in the possession of a traveller. He, therefore, suggested that it might be advisable to consider the alternative of sealing.

In reply to the question posed by the representative of the LEBANON, Mr. Mann pointed out that the United States had not questioned the right of any country to place restrictions on its own money, or on foreign money.

The CHAIRMAN thought that a difference of principle existed as to whether or not a country should be asked to make provision for a traveller who had brought to that country a sum of national currency in excess of the prevailing regulations. The viewpoint of the United Kingdom was that if such an event had occurred, the sum in excess was seized and was not returned unless satisfactory reasons had been provided for its importation. On the other hand, other countries were of the opinion that a traveller might bring an excess sum provided that it was taken away from him at the point of entry and handed back at the time of departure.

The Chairman doubted whether the Drafting Committee could align these two points of view and thought that it might only be possible to place on record that such differences of view existed and that formalities should be made as simple as possible within the scope of the opinions expressed.

It was important, he thought, that any suggestions which might be made should in no way complicate proceedings at the port of departure. He felt that currency certificates might very easily delay the flow of passengers.

In conclusion, the Chairman mentioned the method of sealing the sum of money, as suggested by the United States and asked for views o this matter.

Mr. THORLEY (United Kingdom) said it was the view of his Government that a seal offered no protection against a person disposing of the whole contents of the package. The only protection was against tampering with the package and even for this purpose it was not very efficacious. To control such sealing arrangements would necessitate costly and time-wasting procedures at the ports. The seals themselves could very easily be falsified and bonds would probably have to be called for, as in Customs practice, which would cost time and money.

Mr. MANN (United States of America) felt that he had to take a certain exception to the proposal made by the Chairman on the question under discussion. He was somewhat concerned on how the matte should be handled. While appreciating the difficulties of exploring all the various differences at the present meeting, he thought that t most satisfactory solution would be to put the United States proposal to a vote.

The CHAIRMAN then asked the meeting to consider the United State proposal omitting the word "scrip" from the text.

Mr. MANN (United States of America) thought that he could clarif the question of the word "scrip" very easily. In the United Kingdom the word included the meaning "securities". In the United States the word "scrip" merely meant a financial instrument and did not include the meaning of securities.

In view of these differing definitions the United States would be prepared to limit the phrase to "recognised financial instruments".

Mr. PERIER (France) drew attention to the advantages of the French language in drafting proposals, as no such differentiations of the kind encountered in English and American existed.

Mr. THORLEY (United Kingdom) expressed his gratitude for the United States suggestion on this subject and felt that a major difficulty had now been removed. However, he still felt that there were drafting changes to be made.

The CHAIRMAN suggested that the United States proposal be referred to the Drafting Committee for re-wording on the basis of the views which had been expressed during the course of the debate. He added that it would be preferable for the Drafting Committee to have the assistance of the various financial experts so that a wording satisfactory to all could be achieved.

Mr. PRZEZWANSKI (Poland) was prepared to support the United States proposal with certain exceptions but felt it would be useful if representatives had more time to study the exact text. He suggested, therefore, an adjournment of the discussion until the afternoon.

Mr. PERIER (France) said he had a rather similar suggestion in mind to that made by the representative of Poland. He felt that the Drafting Committee, plus the various financial experts, was rather a large body to draft a technical proposal of this character. He suggested that it might be more satisfactory to ask the three or four financial experts to hold a separate meeting and clarify the question before it was submitted to the Drafting Committee.

This proposal was supported by the representative of the UNITED STATES OF AMERICA.

The CHAIRMAN put to the meeting that, between the present time and the next plenary meeting of the Conference, the financial experts should hold a short meeting to discuss and agree on a wording which would reflect the various views expressed and at the same time enjoy the greatest possible measure of agreement.

Mr. PRZESWANSKI (Poland) thought that the French proposal was excellent. He asked whether it would be possible for a representative of any of the countries attending the conference to attend the meeting of the financial experts.

The CHAIRMAN in reply thought that the financial experts would have no objection provided that it did not complicate matters.

He then asked for the names of countries who wished to be represented by their financial experts.

After some further discussion it was agreed that financial experts representing Belgium, France, United Kingdom, and the United States of America would attend the meeting which would be held one hour before the next plenary meeting.

The CHAIRMAN mentioned that the representative of the International Touring Alliance would be leaving the meeting and before he left wished to make a short statement to the Conference.

Mr. BRITSCHGI (International Touring Alliance) speaking on behalf of his own organisation and also on behalf of the International Motoring Federation said that in his view the present Conference had aimed at two objectives. The first was to recommend such travel alleviations as might be possible in view of the present economic and political situation, and secondly to examine facilities which might be granted later when the present situation had improved.

He realised that the Conference had endeavoured to attain the first of those objectives, but he wished to emphasize that the second was not merely of theoretical importance. The organisations which he represented hoped that the Conference would try and avoid formulating recommendations which might, in the future, permit certain countries to deny any improvements which could not be achieved now but which might be achieved within the next few years.

Mr. Britschgi formulated three main points which seemed to him to be of considerable importance: (1) Any recommendation which might specify that a particular facility could not be granted ran the risk of impeding all future progress.

(2) As it would seem that there was going to be no general abolition of visas, he would like to appeal for the granting of small facilities in particular cases, so that some of the graver aggravations of visa formalities could be eliminated. He noted that the Conference had accepted the principle of collective passports but hoped that the recommendation on this point would be drafted in such a way as not to create the impression that the facilities would merely be limited to exceptional cases.

(3) The words "by lateral agreement" deserved some explanatory statement as there had been numerous cases where improvements had been left to be settled by such agreements. A restricted understanding of this solution might lead to the conclusion that a State should not, by unilateral decision, facilitate the entry of foreign travellers. He hoped that such a restriction would not be applied to recommendations of that kind.

In conclusion, the representative of the International Touring Alliance noted that representatives at the meeting were conscious of the danger of permitting the entry of unwanted persons into their respective countries. However, on the other hand, such individuals were only a handful in comparison with the millions of people for whom any improvement in travel meant a new hope in the establishment of individual freedom.

The meeting rose at 12.55 p.m.