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BARRIERS TO THE INTERNATIONAL TRANSPORT OF GOODS

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BARRIERS TO THE INTERNATIONAL TRANSPORT OF GOODS

Note by the Secretary-General

I. INTRODUCTION

The Transport and Communications Commission, at its second session (Geneva, April 1948), examined a report on the problem of barriers to the international transport of goods^{1/} which had been approved by the Congress of the International Chamber of Commerce (ICC) in June 1947 and which the ICC submitted to the Transport and Communications Commission for consideration. The Commission recommended to the Economic and Social Council the preparation by the Secretary-General, in conjunction with the Executive Secretary of the Interim Commission for the International Trade Organization, of a report containing a study of the respective competence of the various international bodies concerned with this problem, and of the aspects which might usefully be considered by the Commission. The Council gave its approval to this recommendation of the Commission.

At its third session (Lake Success, March 1949), the Transport and Communications Commission, having discussed the Secretariat's report^{2/}, recognized that all the aspects of the problem were closely inter-related. It also recognized that, of the twelve recommendations contained in the ICC's report^{3/}, the first (reduction of the number of documents required in the international transport of goods) and the fourth (abolition of the transit manifest) related equally to all fields of transport and fell therefore more properly within the competence of the Commission than within the competence of any one specialized agency, although in respect of these recommendations too it would be highly desirable to have the co-operation in their consideration of the International Trade Organization (ITO) and other specialized agencies concerned, and of the regional economic commissions of the United Nations. The Commission felt that the other questions were more specifically within the purview of ITO, except for certain ones which came within the scope of the International Civil Aviation Organization (ICAO), the Inter-Governmental Maritime Consultative Organization (IMCO), or the World Health Organization (WHO). The Commission also expressed the hope that the Member States

^{1/} Document E/C.2/59

^{2/} Document E/CN.2/49

^{3/} See, in Annex I, the twelve recommendations of the ICC.

would find it possible to relax or remove existing restrictions in the field covered by the report of the Secretary-General without waiting for such international action as may be taken in the matter.

When the Commission examined the ways and means whereby the subject might be studied further by the competent organizations, it ran into a difficulty because the ITO was not yet in being and it did not know whether the Interim Commission of the ITO would consider itself competent to deal with the matter or not. It finally recommended to the Economic and Social Council "that the Secretary-General be instructed:

1. To transmit to the Members of the United Nations the Secretariat's report, 'Barriers to the International Transport of Goods' and the report of the ICC, and
2. With respect to the recommendations of the ICC report numbered 1 through 12, to request that the Members report their views
 - (a) on recommendations 1 and 4 to the Secretary-General of the United Nations;
 - (b) on the remaining recommendations, (with certain exceptions):
 - (i) to the Interim Commission of the ITO if it will accept the responsibility of dealing with the matter, or if it appears after enquiry by the Secretary-General that it will not
 - (ii) to the Secretary-General of the United Nations.

The exceptions are those recommendations or parts thereof relating to:

Public Health formalities - falling within the purview of the World Health Organization;

Negotiable air consignment note - now being dealt with by the International Civil Aviation Organization (ICAO);

Maritime Tonnage Measurement - covered in resolution 1 of the third session of the Transport and Communications Commission."

The Commission also requested "that the ICC furnish details of their proposals dealing with restrictions in the movement of vessels, as referred to in paragraph A.2 of their resolution of 8 June 1948."

/In compliance

In compliance with the Commission's resolution, the Secretary-General requested from the ICC details of the proposals mentioned above.^{1/}

In order to provide the Economic and Social Council with all necessary information concerning the responsibility which the Interim Commission of the ITO would be prepared to accept in this matter, the Secretary-General approached, prior to the opening of the Council's ninth session, the Executive Secretary of the Interim Commission.^{2/} The results of this consultation were submitted to the Economic and Social Council at its ninth session (Geneva, July-August 1949), when the relevant resolution was considered. As a result of its deliberations, the Council adopted the following resolution:

"The Economic and Social Council

Transmits to the Members of the United Nations the Secretariat's report on barriers to the international transport of goods and the report of the International Chamber of Commerce; and

Invites the Members of the United Nations to transmit to the Secretary-General their views on the recommendations of the International Chamber of Commerce report numbered 1 to 12 (with certain exceptions),

Instructs the Secretary-General:

1. to report to the next session of the Transport and Communications Commission and to the Interim Commission of the International Trade Organization on the results of the enquiry to Governments; and
2. to draw the attention of the Member Governments to the work already done in the field by the International Civil Aviation Organization in its 'International Standards and Recommended Practices on Facilitation of International Air Transport'."

In pursuance of the Council's resolution, the Secretary-General transmitted to the Member Governments the Secretariat's report on barriers to the international transport of goods and the report of the ICC, requesting them to communicate their views on the recommendations of the ICC report numbered 1 to 12 (with the exception of those recommendations or parts thereof relating to public health formalities, the negotiable air consignment note or the maritime tonnage measurement). The

^{1/} See, in Annex V, the note of the ICC on "excessive administrative requirements reported by shipowners".

^{2/} See, in Annex II, the letter of the Assistant Secretary-General, Department of Economic Affairs, of 5 May 1949, and the answer of the Executive Secretary of the Interim Commission of the ITO, of 5 August 1949.

/Secretary-General

Secretary-General also drew the attention of the Member Governments to the work already done in the field by ICAO and circulated to them copies of its International Standards and Recommended Practices on Facilitation of International Air Transport which constitute Annex 9 to the Convention on International Civil Aviation, pointing out that the ICAO Council, by a resolution of 13 September 1949, had declared that this Annex had become effective on 1 September 1949^{1/}.

Finally, the Secretary-General communicated to the Secretary-General of ICAO and to the Director-General of WHO the resolution of the Economic and Social Council requesting from them information on the action taken by their organizations with regard to the negotiable air consignment note and the public health formalities respectively. This information is reproduced in Annexes III and IV.

The present note contains:

- some general remarks;
- the views of Member Governments on the recommendations of the ICC, which have been received up to the time of writing this note;
- a review of the work done in the field by the United Nations, by specialized agencies, as well as by non-governmental organisations.

^{1/} See Annex III. The attention of the members of the Commission is drawn more particularly to paragraphs 2 and 3 of the letter of the Secretary-General of ICAO dated 20 September 1949.

II. GENERAL REMARKS

The replies of the Governments refer to recommendations 1 to 12 adopted by the ICC Congress of 1947. Since that date, however, there have been some further developments in the ICC concerning the problem under consideration which may be of interest to the Transport and Communications Commission.

The ICC Council has adopted on 8 June 1948 a resolution on "barriers to the international transport of goods"^{1/} prepared by the Chamber's Sea Transport Committee. In this resolution, the ICC Council recommended "that an inter-governmental conference should be called to secure the removal of barriers to the international transport of goods, similar to the conference which had already dealt with passports and visas".

In the note on "excessive administrative requirements reported by shipowners"^{2/} submitted, as already mentioned, by the ICC in reply to a request of the Commission attention is drawn to the fact that for the international transport of goods there are two categories of formalities: those to be complied with by the exporter, and those of concern to the carrier - in the case of shipping, the owner/loading broker/or agent. This note sets out "the troubles of the shipowner or his appointed agent". The ICC report of 1947 laid stress more particularly on the difficulties encountered by the shipper (i.e., the exporter or his agent), although especially under recommendations 1 and 4 it dealt with those documents which should be "sufficient for legitimate governmental requirements and for the main needs of trade and transport".

The ICC Congress of Quebec (1949) mentioned, in its resolution 7, both categories of formalities.^{3/}

In the same resolution, the ICC Congress also suggested a method for dealing, on both the national and the international plane, with the "invisible barriers to trade and travel". According to this recommendation "documentary requirements and consular formalities" would be only one question, the fourth in a series of "nine questions of outstanding importance which... Governments might usefully select as

^{1/} This resolution was reproduced in Annex II of document E/CN.2/49 submitted on the subject to the third session of the Commission.

^{2/} See Annex V.

^{3/} See Annex VI. The resolutions of the ICC Congress of Quebec have been circulated as document E/CN.2/224.

a starting point for immediate action". These nine questions^{1/} are:

1. Formalities and regulations connected with the administration of import quotas, licencing systems and exchange control.
2. The nationality of goods.
3. Methods of ad valorem valuation.
4. Documentary requirements and consular formalities.
5. Publicity for regulations and charges.
6. Treatment of samples and advertising material.
7. Marks of origin.
8. Standardization of customs nomenclatures.
9. Temporary admission of imports.

From the text of Annex VI, it would seem that the ICC no longer suggests that the matter of barriers to the international transport of goods be dealt with by an international conference, but that it be submitted together with a range of other problems to national committees and an international committee of experts.

^{1/} Examined in the ICC Brochure 130 (Invisible Trade Barriers) to which resolution 7 refers and which was circulated together with the ICC resolution as document E/C.2/224.

III. VIEWS OF MEMBER GOVERNMENTS RECEIVED AT THE TIME OF
WRITING THE PRESENT NOTE

As regards the recommendations numbered 1 to 12 of the ICC report of 1947, replies had been received, at the time of writing from the Governments of the following countries: Canada, Egypt, Norway, the United Kingdom and the United States of America.

Canada

The comments of the Canadian Government on the ICC recommendations are as follows:

"The Canadian Government is in agreement in principle with the objectives of the International Chamber of Commerce, namely, the elimination of superfluous documents and simplification of formalities connected with international trade.

We feel that the aspects of the problem to be considered by the Transport and Communications Commission are limited to resolutions numbers 1 and 4. The other resolutions, with the exception of number 10, fall within the field of the proposed International Trade Organization, under Article 36 of the Havana Charter. We think it is preferable that these resolutions (excluding 1, 4 and 10) should not be submitted to any other international organization pending the setting up of ITO.

The reaction of the Canadian Government to the individual resolutions of the International Chamber of Commerce is as follows:

Recommendation 1 - The proposed documents are sufficient in respect of the international transport of goods.

Recommendation 2 - We do not require consular invoices. We agree that information normally included on consular invoices could be obtained from extra copies of the commercial invoice and from the usual packing list as recommended by the ICC.

Recommendation 3 - Consular visas are not required for either invoices or manifests. However, a certificate is required in regard to certain products for entry under the British Preferential Tariff. It would be inconvenient for us to abolish this requirement.

Recommendation 4 - We do not require transit manifests to be produced nor ships manifests to be visaed by a consul.

Recommendation 5 -

Recommendation 5 - Statistics are not required from the exporter.

Recommendation 6 - The exporter is not required to classify his goods under a specific tariff item. This is the responsibility of the importer.

Recommendation 7 - The only declarations required in regard to value on invoices by the Customs Division are those of the 'fair market value as sold for home consumption at the time of shipment' and the 'selling price to the purchaser in Canada'. We would like to maintain this present procedure.

Recommendation 8 - We have no regulation requiring weights and measurements to be shown by the exporter according to any specific system but any weights and measurements used by the exporter may be converted to Canadian standards for customs entry purposes.

It is understood that the International Chamber of Commerce is not asking us to rewrite our specific regulations according the metric system.

Recommendation 9 - In some few instances packages are required to be marked with the country of origin, for instance, fresh fruits, vegetables and honey under the provisions of the Fruit, Vegetables and Honey Act, but this is not for transportation purposes.

Recommendation 10 - We do not require the tonnage measurement of vessels for the calculation of duties.

Recommendation 11 - In Canada, the duration of validity of export licenses is 60 days, whereas the duration of import licenses varies according to the class of goods to be imported. In all cases, the licenses are valid from the date on which they are approved. In practice, we have found that the duration of validity of export and various import licenses has imposed no hardship on exporters and importers and that, therefore, these licenses are of 'sufficient duration'.

Recommendation 12 - We now grant Customs clearance at inland offices. Synchronization of office hours at border points is now effective between Canada and the United States. In regard to offices being opened during traffic hours, even at night, our rule from which we do not wish to vary is that no commercial entries are accepted at border offices outside of office hours.

/The subject

The subject matter of these recommendations of the International Chamber of Commerce is highly technical. The foregoing is simply a summary statement of our preliminary views and of existing practices in this country. It is obvious that, if further discussions are held which might result in commitments by the Canadian Government, we would wish to send representatives qualified to deal with these highly technical problems and intimately acquainted with the Canadian views, practices and requirements in these matters."

Egypt

The competent Egyptian authorities have no comments to offer on the recommendations referred to in the resolution of the Economic and Social Council.

Norway

The comments of the Norwegian Government on the various recommendations contained in the ICC report are as follows:

"1. The Norwegian authorities agree with the recommendation from ICC that the number of documents should be reduced and the requirements simplified. Transport documents (bill of lading, consignment note) and commercial invoices are necessary. Packing lists are not required in Norway, but are used by the custom authorities. Manifests are needed for sea and air transport.

2. and 3. Consular invoices are not required by Norwegian authorities and it is agreed that this document should be abolished.

4. According to Norwegian duty and custom regulations, a transit manifest is necessary. The Ministry of Finance has, however, power of dispensation and this has been used in certain cases.

5. A declaration of goods is required to be filled out by exporter and importer respectively in order to help in the compilation of statistics. The declaration of goods has to be sent in together with a custom declaration.

6. Such classifications are not required in Norway.

7, 8, and 9. The Norwegian authorities have no objections to this recommendation from ICC.

11. The validity period of export and import licences runs from the date of granting such licenses. The licences are usually valid for about six months.

/12. The Norwegian

12. The Norwegian authorities agree with the proposed simplification of customs formalities. Ships may, if they give notice of arrival a short time in advance, unload their cargo at any time in Norwegian harbours. The customs houses at the frontier are open day and night. Railway transport across the border is not delayed by customs clearance. Road lorries do not have to be cleared through border customs but may be taken to other customs houses within the country. (It is here referred to the Agreement on preliminary application of the three tariff conventions, Geneva, 16 June 1949)."

United Kingdom

The United Kingdom Government "being in full agreement with the objectives of reduction and simplification of Customs formalities as set out in the Havana Charter and the General Agreement on Tariffs and Trade, considers the International Chamber of Commerce's Brochure No. 121 (E/C.2/59) a most useful study of the problem it covers, and is in sympathy with its general approach. There is no doubt that the multiplicity of different Customs procedures in force in various countries involving different forms and different charges, is a substantial handicap to international trade. In general, so far as the ICC's recommendations are designed to free shippers from the obligation to furnish documents other than normal commercial documents and to comply with detailed foreign tariff regulations, nothing in United Kingdom practice stands in their way, provided that they are not intended to suggest that Customs entry forms should be dispensed with. Detailed comment on the twelve recommendations follow:

1. The United Kingdom has been examining Customs practices which are particularly vexatious to exporters and has found a great disparity of practice and charges between countries, which adds to the detailed information that individual exporters must keep recorded and increase the difficulties of forwarding agents who handle documents for a variety of exports and must employ labour to attend to the numerous formalities. The ICC recommendation is generally unobjectionable provided that it is not intended to suggest the abolition of Customs entry forms. These forms are an essential part of the United Kingdom's system of Customs administration and could not be replaced by commercial documents such as invoices. The United Kingdom considers that the commercial invoices can be substituted for the consular invoices, and whenever possible, for the certificate of origin,

/and agrees

and agrees that the recommendation for the international standardisation of commercial invoices is an objective to be pursued. It may be found, however, that standard invoice forms would prove too inflexible in certain cases.

2. The great variety of consular invoices and charges connected therewith in various countries is most striking. The fact that the majority of countries do not require these documents at all, point to their being unessential because, where the consular invoice is used, it appears to serve no purpose to the importer which could not be met equally well by the commercial invoice. The United Kingdom, therefore, supports the recommendation for the abolition of Consular invoices, which are not demanded by the United Kingdom.

As to certificates of origin, as suggested above, these should be combined with the commercial invoices where this is possible, although it is appreciated that there will be difficulties in achieving this end. The United Kingdom does not require certificates of origin, except for some imported goods which are subject to prohibition or restriction on health, etc., grounds, and for imported goods for which preference is claimed.

3. Again, the multiplicity of consular visas is vexatious and the United Kingdom would support a large measure of reduction and simplification. The United Kingdom requires consular evidence and certificates in only a few cases, e.g. to ensure that certain goods are not incorrectly described (e.g. certain types of wine) or to certify the age of spirits.

4. Transit manifests are not required by the United Kingdom but they are not thought to be vexatious to exporters.

5. The scope of this recommendation is not entirely clear. The United Kingdom does not require foreign shippers to supply statistical information, but does require British importers and exporters to furnish in customs entry forms the information essential for the collation of import and export statistics. It is thought that this could, in all countries, be done better by the resident of the country concerned (whether exporter or importer) than by his foreign associate.

6. Similarly this recommendation is unobjectionable if it is intended to suggest that the onus of classifying import goods in specific sections of a customs tariff should be shifted from the exporter to the importer.

7. The same comment applies as to 6.

/8. The simplification

8. The simplification of regulations about weights and measures is certainly desirable. But the United Kingdom does not agree with the use of the metric units in customs documents being made compulsory in the United Kingdom. The United Kingdom does accept foreign invoices expressed in metric units as evidence of weight or measure, subject to conversion to British units as the case may require, but could not accept the introduction of metric units into customs documents in advance of the compulsory use of the metric system in this country.
9. This recommendation is supported. The United Kingdom does not require marks of origin to be placed on packaging used solely for the carriage of goods imported and exported.
10. In accordance with the Secretary-General's request, no comments are furnished in this paper on this item.
11. This recommendation is supported. The United Kingdom practice is to make import licences normally valid for six months from the date of issue, except in rare cases where the application for a licence for an item subject to quota is submitted just before the expiry of the period covered by the quota; even in these cases, it is normal to give a minimum period of validity of three months. In the case of goods where the production and supply cycle is unusually long (i.e. machinery) licences are sometimes issued with twelve months validity. As regards export licences, it has long been the general practice to make these valid for twelve months from the date of issue. Only in very exceptional cases for a specific reason, e.g. to secure maximum exports under a quota, is this period reduced. The strictures of the International Chamber of Commerce in Part I, paragraph 10, of their report regarding export licences cannot be held to apply to the United Kingdom's export licensing system.
12. The simplification of all customs formalities is, of course, an objective which the United Kingdom supports. The United Kingdom, however, does not normally provide facilities for customs clearance of imported goods other than at the ports or places of importation (including customs aerodromes). At the main ports all the necessary apparatus and facilities for clearance of goods and payment of duty are to be found, as would not generally be the case if clearance were deferred until a later stage. In special cases, however, special procedures have been instituted, e.g.

/clearance

clearance of certain goods at approved inland bonded warehouses is permitted, subject to prior import entry being made at the port or place of landing. As regards the working hours of customs houses, the United Kingdom customs offices and bonded warehouses are kept open outside normal working hours on request if good cause is shown and subject to payment being made for the attendance of the necessary staff. The synchronisation of office hours on either side of a frontier is a matter which only arises on the Irish Land Boundary; synchronisation there would not be opposed by the United Kingdom."

In forwarding the views quoted above, the Permanent United Kingdom Delegation further stated that "His Majesty's Government is studying with great interest the later Brochure No. 130 prepared by the International Chamber of Commerce on Invisible Barriers to Trade and Travel and considers that it merits examination by Governments and by the appropriate organ of the United Nations".

United States of America

The Government of the United States of America communicated the following memorandum containing its comments on the recommendations of the ICC:

"In general, the United States favors strongly efforts to simplify customs procedures. In a recent address discussing the various measures which the United States might take to facilitate trade with this country, the Secretary of State cited customs procedures as a major restriction on trade. He said:

'I am happy to say that this problem is being vigorously attacked ... Real progress has already been made.

'When the Charter for the International Trade Organization is adopted, as I hope it will be early next session of Congress, its provisions will require substantial changes in some of our customs legislation, which will simplify and facilitate the processes of importation.'

The Suggested Charter for an International Trade Organization, put forward by the United States, and subsequent drafts of the Charter have all contained provisions giving the ITO a broad mandate in the field of customs procedures. Articles 33 through 39 of the Havana Charter all deal with various phases of the problem, including freedom of transit, use of anti-dumping and countervailing duties, standardization of valuation procedures, simplification of formalities,

marks of origin, publication and administration of trade regulations and collection of information, statistics and standardization of trade terminology. Each article includes specific undertakings by members with a view to eliminating unnecessary or burdensome requirements.

Moreover, the United States has not waited on multilateral action in this field. During the past two years the Treasury Department has devoted a great deal of study looking towards the improvement of the customs service and the simplification of customs procedures. A study of these matters has also been made by a private firm of management experts and their recommendations are in the process of being considered and acted upon. A number of changes which are within the administrative authority of the Treasury Department have already been put into effect as a result of this study. Moreover, with regard to certain changes which could not be made without action by Congress, the Treasury Department has in preparation a draft of a Customs Simplification Act which it expects will be presented at the next session of Congress.

It is believed that the recommendations of the International Chamber are an important indication of some of the major objectives of customs reform. The United States recognizes that there is much room for elimination of documentary work and administrative requirements of the kind to which the Chamber's recommendations are addressed. Care must be taken, however, to see that administrative machinery without which government cannot properly conduct its business is not swept away. In some cases, as in recommendations five and seven, which deal with the means of obtaining reliable statistical information concerning foreign trade, the Chamber seems to have overlooked this last consideration and to have sought the ultimate **inconvenience to international** traffic without providing evidence that it would be willing to dispense with the statistical services that would necessarily be abandoned if these recommendations were put into effect. In the same way, it is not believed that simplification of customs procedures can be carried to a point where the specialized services of customs brokers can be entirely dispensed with, with the possible exception of shipments of relatively low value.

Again, paperwork attending the crossing of borders which may seem pointless to one group in the business world may be considered valuable to others. For example, shipping charges, insurance, packaging charges and related items may

/seem useless

seem useless from the point of view of the harassed shipper who must complete the forms but the importer who pays a tariff on value, less these items, may regard them as vital indeed.

Apart from the merits of the particular recommendations, it is evident that they by no means cover the entire field of customs simplification but instead address themselves mainly to the problem of reducing and standardizing the documentation required for goods in international trade. Furthermore, time has not permitted adequate international exchange of views on the recommendations.

This Government concurs in general with the Secretariat's judgment that points 2, 3, 5, 6, 7, 8, 9, 11 and 12 are subjects which should be referred to the International Trade Organization when established rather than discussed by the Transport and Communications Commission. The United States feels that in addition points numbered 1 and 4 can hardly be discussed usefully outside of the ITO framework. However, for the reasons outlined above, it is believed that the subject of customs simplification as a whole should be referred to the ITO rather than confining consideration to these narrow terms of reference. There adequate staff studies can be made; through the facilities of the ITO full discussion can be held, and comprehensive recommendations can be formulated for orderly and constructive action in this field.

Accordingly, the United States has confined the comments which follow to a statement of its existing law and practice on the points raised by the ICC. It should be understood, as indicated above, that United States procedures are now under active study and changes may be expected as a result of the study and legislation already mentioned.

These comments are numbered to correspond with the numbering of the International Chamber's recommendations.

1. Reduction in the number of documents required in the international transport of goods

The recommendation of the International Chamber is that at most three main documents should suffice for legitimate governmental requirements and for the main needs of trade and transport and that the manifest should be added for sea and air transport.

The documents required for United States customs purposes do not exceed this number. A bill of lading is required to establish ownership for the purpose of right to enter the goods, but the law also provides that other

/specifically named

specifically named documents may be accepted for this purpose in lieu of a bill of lading. This Government is not aware that these provisions have resulted in difficulties.

United States Law also requires invoices certified in the country of exportation before United States consuls (or before certain other officials in cases in which consuls are not available) for merchandise valued or priced at over \$100. However, exception is provided in the customs regulations for a large number of exempted commodities. In the cases in which consular or other certified invoices are now required no commercial invoice is required, and in the other cases a commercial invoice is accepted. Such commercial invoices are required by present law to show certain items of information in addition to those called for on the model commercial invoice attached to the Annex to the International Chamber's recommendations. A pro forma invoice is required to be filed only as a temporary substitute in cases where a consignee cannot at the time of entry produce a certified or a commercial invoice as the case may be.

Packing lists are not now required under the customs regulations of this country but shippers often furnish them as an aid in checking shipments containing many items. The interests of prompt and orderly clearance of merchandise are, however, served by the use of packing lists in cases where the invoice does not clearly indicate the contents of each bale, package or other container.

In the case of any shipment valued at over \$100, so-called "formal entry" is required, in which case certain information is furnished by the importer or consignee which is required partly for customs purposes and partly to furnish statistics of imports.

Manifests of incoming and outgoing cargoes are also required for customs as well as other purposes.

2. Abolition of consular invoices and certificates of origin as separate documents

United States customs laws and regulations do not require certificates of origin, except in certain cases where privileges incident to origin in United States possessions or the Philippines are claimed.

/As previously

As previously stated, invoices certified before United States consuls in the country of exportation, or before certain other officials when United States consuls are unavailable, are required by law for merchandise valued or priced at over \$100, with the exception of a large number of exempted commodities which are listed in the customs regulations under authority of law. Consideration is being given to the extent to which the list of exempted items may be extended and to increasing the value of shipments of exempted items permitted to enter informally without consular invoices.

3. Abolition of consular visas for commercial invoices as well as for manifests: abolition of commercial association certificates for invoices

The United States does not require any of these visas or certificates.

4. Abolition of the transit manifest

The United States does not have a separate document in the nature of a "transit manifest" except in the case of merchandise traveling between ports in the United States through contiguous foreign territory. Merchandise not in the latter class which arrives at a port in the United States by vessel on which it remains and proceeds to another United States port, either for unloading there or for exportation to a foreign country, travels under what is known as "residue cargo procedure", which does not involve any extra documentation. In such a case the manifest of the complete cargo arriving at the first port is presented to the collector there and copies of this manifest with items deleted which may have been unladen at the first port, together with a copy of the original complete manifest, are returned to the master of the vessel for filing at the second port. The same procedure is followed if there are other ports to be visited. No payment of duties is required on goods which are exported without having been landed and delivered from the vessel.

5. Elimination of the requirement by some governments that certain export-import statistics forms be filled out

The Official United States export statistics are compiled from the shipper's export declaration. In addition to being used as a statistical document, the export declaration is also the basic document used in enforcing the United States export control laws. The following needs among others are served by this document:

/(a) The name

(a) The name of the exporting carrier, place and date of exportation, Schedule B commodity code number, value on an FAS basis, commodity description detail adequate for statistical purposes, commercial units of quantity and quantities other than shipping weight are obtained from it. Commercial invoices and/or bills of lading do not always show this information.

(b) In this way, the information required for statistical purposes is obtained from a document of uniform format, avoiding a mass transcription operation to prepare the documents for machine tabulation processes. In this connexion, it should be noted that there are approximately 500,000 export declarations filed each month.

(c) The export declaration is a better source of such information than are bills of lading or commercial invoices in that it is in English and describes goods and quantities in the required manner.

(d) The export declaration is essential to export control. Bills of lading and commercial invoices lack complete details of the transaction necessary to enforce export control laws, such as relationship and identity of intermediate and ultimate consignees, and identities of exporters and agents involved in the transaction. In addition, there is a legal problem of enforcing export control laws through the use of bills of lading and commercial invoices.

(e) In addition export declarations avoid a tremendous checking procedure which would otherwise have to be followed in the offices of Collectors of Customs in enforcing the export control and export statistical regulations of the United States Government. The use of documents of varied format with varied content would require a very time-consuming operation to make an adequate check of the individual shipments.

Import statistics are compiled from an import declaration which is not a separate document but a document required partly for customs purposes.

6. Tariff Classification by shippers

It is not necessary in the United States that shippers attempt to classify goods entering this country. It is, however, required that consignees indicate in their entry the classification which they claim. This is believed to be

/advantageous both

advantageous both to importers and to the government in assisting in bringing to a point the ideas of each regarding the proper classification of imported merchandise.

7. The shipper to be exempt from furnishing indications of value other than those appearing in the contract

Under United States law customs appraising officers are obliged to ascertain the value of imported merchandise in the country of exportation by all reasonable ways and means in their power regardless of what may have been the purchase price in the particular transaction involved. The requirement that the shipper set out specified value information in the invoice is intended to help the appraiser to find this value. If present regulations covering the definition of value for customs purposes were changed, some other uniform value for customs purposes would have to be provided, not allowing the businessman to insert any value on the invoice that was consistent with the trade practices of the country. Wherever customs revenues provide a substantial amount of funds, discretion in this matter is not likely to be allowed to importers.

8. Simplification of regulations regarding weights and measures in documents

Section 481 (a) (4), Tariff Act of 1930, specifically provides that customs invoices shall include quantities but provides that these may be shown either "in the weights and measures of the country or place from which the merchandise is shipped or in the weights and measures of the United States."

9. Abolition of the obligation to place marks of origin on packaging used solely for carriage

Under the United States tariff laws, containers of imported articles are required to be marked only when the article itself is exempted from marking because it falls within one of the exceptions from marking requirements specified in the law; and certain exemptions from marking are provided even for these containers. The container which must be marked is the outermost container in which the article ordinarily reaches the ultimate purchaser.

11. Fixation, for import and export licenses, of a sufficient duration of validity of licenses

The only commodities still under Agriculture-Import Order, administered by the United States Department of Agriculture, are fats and oils and rice and rice products. For such of these products as are being licensed for import,

/licenses are

licenses are granted promptly and beginning 1 January 1950, licenses will be valid for six months. These licenses have always been valid from the date of issue of the license.

The Department of Commerce has no import controls in effect at the present time. The practice of that Department with regard to export controls is as follows;

The time required to complete action on individual export license applications depends largely on the adequacy of information available with regard to given transactions. However, recent experience shows that over 70 per cent of license applications are processed within five working days after their receipt and over 90 per cent are processed within ten working days after their receipt.

The United States in exercising its export control system attempts to provide validity periods for its licenses sufficient to permit completion of all aspects of an export transaction. Accordingly, United States export licenses are in general valid for a period of six months and are subject to extension. Some licenses are valid up to a year. Licenses for a few commodities are valid for a period of less than six months. In these instances, the availability of the commodity is such that the shorter period permits a closer review of the commodity situation and permits corrective action to be taken where required with minimum interference with current trade transactions.

These procedures are under constant review for the purpose of facilitating the business operations of foreign traders as much as possible.

12. Improvement of Customs Facilities

The International Chamber recommends improvement of customs facilities in three main directions as follows: establishment of facilities for customs clearance of merchandise at interior towns; more effort to keep customs houses open during traffic hours, even at night; synchronization of office hours of customs houses on each side of a frontier, if necessary by common accord.

United States practice on the first point already includes facilities at several interior towns for clearance of imports through customs after shipment from the frontier in bond, and for customs clearance of exports at interior points of origin. In the case of exports the only further requirements at the

/frontier is

frontier is that the exportation occur under customs supervision to verify the fact that the merchandise has actually been exported.

The question of hours of service at customs houses is under active consideration. In principle, customs houses are open at hours during which business warrants as far as funds appropriated permit. In practice however, few are regularly open outside the hours of 8:00 a.m. to 5:00 p.m. five days a week. Overtime operation is available to accommodate all traffic. Suggestions with respect to modification of the laws in respect to overtime are currently being prepared with a view to possible submission to the Congress.

So far as concerns hours of custom-house operation on the two sides of a frontier, discussions have been held with the Mexican customs authorities concerning hours of business with a view to improved synchronization of hours. In the case of Canada, there has been no complaint in this respect."

IV. ACTIVITIES OF THE UNITED NATIONS AND SPECIALIZED AGENCIES

Economic Commission for Europe (ECE)

The Sub-Committee on Road Transport of the Inland Transport Committee of the ECE has prepared, through a Working Party on Customs Formalities, three draft customs conventions, namely (1) Draft International Customs Convention on Touring, (2) Draft International Customs Convention on Commercial Road Vehicles, (3) Draft Customs Convention on the International Transport of Goods by Road.

The first draft convention,^{1/} which applies to road vehicles as well as to aircraft and pleasure craft, essentially makes formal rules which already governed before World War II the temporary duty-free admission of private vehicles and articles covered by temporary importation papers (triptych, "carnet de passage en douane"). The second draft convention extends these facilities to commercial road vehicles. By virtue of the third draft convention, goods transported by road in sealed vehicles or containers will be exempted from customs examination and payment or deposit of customs duties at the frontier office. For this purpose, a system of guarantee is organized and goods shall be transported under cover of a uniform document called "Carnet T.I.R."^{2/}

As stated in document E/CN.2/76,^{3/} the Inland Transport Committee of the ECE adopted at its fourth session an agreement providing for the provisional^{4/} application of the draft customs conventions mentioned above. This agreement was

^{1/} Although this draft convention does not concern directly the transport of goods, it is mentioned here as part of a common action by the ECE.

^{2/} A more detailed analysis of this draft convention is given in document E/CN.2/54.

^{3/} This document (International Road Transport) is being submitted to the fourth session of the Transport and Communications Commission.

^{4/} Provisional, i.e. for a period of three years, with automatic renewal from year to year unless denounced, and pending any steps which might be taken in this matter on a world-wide basis.

signed in Geneva, on 16 June 1949, by a number of countries. It has entered into force on 1 January 1950 for the two first draft conventions and will enter into force for the third one as soon as some problems of implementation will have been solved.

International Civil Aviation Organization

As already mentioned, the "International Standards and Recommended Practices on Facilitation of International Air Transport", Annex 9 to the Convention on International Civil Aviation, have been declared by the ICAO Council to become effective on 1 September 1949.

This Annex deals with the various aspects of the facilitation problem, and contains, in particular, provisions or recommendations with respect to:

- entry and departure of aircraft (Chapter 2);
- entry and departure of individuals (Chapter 3);
- entry and departure of cargo (Chapter 4);
- customs-free airports and customs-free trade zones (Chapter 6);
- air sanitation, medical services and agricultural quarantine (Chapter 8)
- exchange facilities (Chapter 9).

A number of provisions or recommendations relate to the ground covered by the ICC recommendations:

Documents required (ICC recommendations 1, 2, 4 and 5)

As to aircraft documents, they are limited, under Chapter 2, to the following (for aircraft carrying cargo, mail or unaccompanied baggage): general declaration, cargo manifest and, if required, written stores list. It is clearly stated (paragraphs 2.4 and 2.7) that "Contracting States shall not require the pilot-in-command or authorized agent to deliver to the public authorities concerned... more than" a certain number of copies of these documents. Moreover, "the public authorities concerned shall not require manifests or stores lists to be delivered in respect of traffic arriving and departing on the same through-flight. Any such document inspected shall be returned to the pilot-in-command or authorized agent." (paragraph 5.1)

Standard forms of the general declaration and of the cargo manifest are reproduced in Annex 9 as Appendix 1 and Appendix 4 respectively.

As to cargo documents, Annex 9 contains the following recommendations:

"4.1 International Cargo Invoice should be limited to the items, and should follow the format, set forth in Appendix 8."

/"4.3 Each

"4.3 Each Contracting State should make arrangements by which consignments of cargo destined to its territory and not exceeding an f.o.b. value specified by that State will be free of governmental documentary requirements, such as consular invoices, certificates of origin, and visas, and will be exempt from related consular fees."

"4.4 In any case where a Contracting State requires evidence of origin or value of cargo in a particular form, it should accept a single document, namely the International Cargo Invoice (Appendix 8). Copies of this document should be accepted by the public authorities concerned in lieu of separate forms, such as consular invoices, certificates of origin, certificates of value, export declarations, and the like."

Consular visas (ICC recommendation 3)

Annex 9 provides as follows:

"2.11 No visa shall be required, nor shall any visa or other fee be collected, in connexion with the use of any documentation required for the entry or departure of aircraft."

Furthermore, recommendation 4.3, quoted above, states that "consignments of cargo... will be free of governmental documentary requirements such as ... visas, and will be exempt from related consular fees."

With regard to through traffic, Annex 9 (5.2) provides that "Contracting States shall not require visas for traffic arriving and departing on the same through-flight, or for any categories of traffic for which provision is otherwise made in the manner set forth in paragraphs 5.3 and 5.4"^{1/}

Annex 9 contains also the following provisions concerning errors in documentation and penalties therefor:

"11.3 At the time the documents are being checked, the public authorities concerned shall either accord the pilot-in-command or authorized agent, where this can be done without undue delay, an opportunity to correct, or shall themselves correct, any errors which they are satisfied are of a purely clerical nature and were not made with intent to violate the laws of the Contracting State."

"11.4 In the event of errors being found in documents, the operator or authorized agent shall not be penalized by the imposition of a fine before he has been given an opportunity of satisfying the public authorities concerned that the error was inadvertent and not of a serious nature."

^{1/} Paragraphs 5.3 and 5.4 recommend that provision be made for Direct Transit Areas and for Direct Transit Arrangements.

Simplification of all customs formalities (ICC recommendation 12)

Annex 9 provides (under paragraph 4.2) that "customs regulations applicable to goods carried by aircraft shall be not less favourable than those which would be applicable if the goods were carried by other means".

Annex 9 recommends that contracting States should establish customs-free airports and, in connexion with international airports, customs-free trade zones (paragraphs 6.1 and 6.2).

Section C of Chapter II deals with "space, facilities and services at international airports".

World Health Organization

As stated in the letter reproduced in Annex IV, the WHO is revising, through an Expert Committee on International Epidemiology and Quarantine, set up in 1948, the International Sanitary Conventions in force. Their aim is to ensure "the maximum security against international transmission of diseases with the minimum interference with world traffic", a principle approved by the Second World Health Assembly.

Since this letter was written, the Expert Committee held a second session (Geneva, 5-14 December 1949), in order to examine draft International Sanitary Regulations drawn up by the Chairman of the Committee, in accordance with the principles approved by the WHO Assembly.

A number of provisions have a direct bearing on international transport, in particular those which come under the following headings:

- Sanitary organization of countries

Internal

Ports

Airports

Land frontiers

Ships, aircraft and land transport

Sanitary documents

A. Transport by sea - ships' sanitary documents

B. Transport by air - aircraft sanitary documents

C. Certificates - disinfection

- disinsectization

- deratization and deratization exemption

- inoculation and vaccination

/Supplementary

Supplementary Regulations include:

- Sanitary measures applicable to the Red Sea area during the pilgrimage season;
- Sanitary standards for the collective transport of special categories of travellers.

At its second session, the Expert Committee decided, inter alia, to recommend that:

- ships engaged in coastwise traffic be also deratized;
- the question of disinsectization of ships and of aircraft be submitted to further study;
- bills of health and consular visas be abolished;
- with regard to aircraft, the general declaration as drawn up by ICAO be accepted in lieu of the aircraft declaration of health.

The Expert Committee endeavoured to draw a clear distinction in particular between passengers in transit and not in transit, travel by land, sea and air.

The draft Regulations are to be submitted to the Executive Board of the WHO and will presumably be circulated for comments to the governments, specialized agencies and perhaps, for informal consultation, to some technical organizations before a further discussion by the Expert Committee can take place. If such a procedure is followed, it will not be possible to submit the draft Regulations to the WHO Assembly before its 1951 session. They will come into force twelve months after their approval by the Assembly.

Both the United Nations and ICAO were represented by observers at the second session of the Expert Committee.

V. ACTIVITIES OF NON-GOVERNMENTAL ORGANIZATIONS

International Chamber of Commerce

Reference has already been made^{1/} to the report on "Invisible Trade Barriers" (Brochure 130) considered by the ICC Quebec Congress (1949) and to the resolution adopted by the latter on the subject. Extracts of this resolution more particularly related to the problem of barriers to the international transport of goods and to the suggested method of approach are given in Annex VI.

Other Organizations

A number of international non-governmental organizations directly or indirectly concerned with road transport have collaborated with the ECE in the preparation of the three draft Customs Conventions mentioned above.

^{1/} Under "I. General Remarks".

ANNEX I

Recommendations submitted by the
International Chamber of Commerce

The International Chamber of Commerce submits to the competent authorities the following twelve recommendations which it considers to be of primary importance:

1. Reduction of the number of documents required in the international transport of goods.

At the most, three main documents should be sufficient for legitimate governmental requirements and for the main needs of trade and transport:

- (a) transport document (bill of lading, consignment note);
- (b) commercial invoice in standardized form;
- (c) packing list, when necessary. (It obviously serves no useful purpose in goods in bulk, like grain).

For sea and air transport, the manifest should be added to the above documents.

2. Abolition of consular invoices, sometimes called customs invoices, and certificates of origin as separate documents. The information required on consular invoices and certificates of origin could and should be obtained from extra copies of the commercial invoice recommended in this report and from the usual packing list.
3. Abolition of consular visas for commercial invoices as well as for manifests; abolition of commercial association certificates for invoices. At the present time, consular visa fees are often prohibitive. Moreover, the expenses involved in making out consular invoices include not only filling out the forms but the time of someone visiting consulates to leave invoices for visaing and the time of a second visit to pick up the invoices after they have been visaed and in many cases long delays in both visits. These expenses and delays are unnecessary and constitute burdens on international trade.
4. Abolition of the transit manifest by those countries requiring it.
5. Elimination of the requirement by some governments that certain forms be filled out for aiding them in the compilation of export and import statistics. This information could be obtained from other documents.

/6. Abolition

6. Abolition of governmental regulations which require the shipper to attempt to classify his goods under specific sections of customs tariff laws of the importing country. A shipper cannot be expected to know the customs regulations of all the countries with which he does business, especially as such regulations are constantly being altered. The shipper is thus inevitably exposed to mistakes and fines.
7. The shipper to be exempt from furnishing indications of value other than those appearing in his contract.
8. Simplification of regulations regarding weights and measures in documents. All such weights, preferably, should be according to the metric system.
9. Abolition of the obligation to place marks of origin on packaging used solely for carriage.
10. Adoption of standardized regulations for measurement of shipping tonnage, so as to avoid fresh measurement being taken in certain ports of call for calculation of duties.
11. Fixation, for import and export licenses, of a sufficient duration of validity which should run not from the date of application but from the date of granting of such licenses.
12. Simplification of all customs formalities. Granting of facilities for clearing of goods at inland offices or warehouses. Customs houses to be opened during traffic hours even at night; synchronization of office hours of customs houses on each side of the frontier.

ANNEX II

Responsibility which the Interim Commission for the
International Trade Organization may accept for
dealing with the problem of barriers to the
international transport of goods

5 May 1949

Dear Wyndham White,

In compliance with resolution 147 (VII) A of the Economic and Social Council, a report on Barriers to the International Transport of goods (document E/CN.2/49) was prepared in consultation with your organization and submitted to the Transport and Communications Commission at its third session. A copy of the resolution adopted by the Commission after consideration of this paper is forwarded herewith. This resolution will be submitted to the Economic and Social Council at its ninth session.

I should like to draw your attention to the fact that the Commission recommends that Governments be requested to report their views on certain specific recommendations of the International Chamber of Commerce "to the Interim Commission of the International Trade Organization if it will accept the responsibility of dealing with the matter."

It would be very helpful at the present stage if we could have an informal expression of your views in this matter. May we also hear from you as to whether your organization would be prepared to make a formal statement in this regard should it be requested by the Economic and Social Council.

(Signed) A.D.K. Owen
Assistant Secretary-General
Department of Economic Affairs

E. Wyndham White Esq.,
Executive Secretary,
Interim Commission,
International Trade Organization,
Palais des Nations,
Geneva,
Switzerland.

/Interim

Interim Commission for the International
Trade Organization

5 August 1949

Sir,

I have the honour to refer to your letter ECA/21/4/III/LI of 5 May 1949 regarding a resolution of the Transport and Communications Commission on barriers to the international transport of goods.

You have drawn my attention to the fact that this resolution recommends that Governments be requested to report their views on certain specific recommendations of the International Chamber of Commerce "to the Interim Commission for the International Trade Organization if it will accept responsibility for dealing with the matter."

With reference to this particular recommendation, I have to inform you that the Interim Commission for the International Trade Organization is not empowered by its terms of reference to accept **any** responsibility for action on the substantive matters which will be within the jurisdiction of the International Trade Organization when established. The Interim Commission is, however, required "to submit the provisional agenda for the first regular session of the Conference together with documents and recommendations relating to all matters upon this agenda."

In conformity with this limited function the Executive Committee of the Interim Commission would be prepared to recommend the matters referred to in the recommendation of the Transport and Communications Commission for consideration by the first Conference of the International Trade Organization, and for this purpose would be prepared to receive and collate such reports as might be furnished by Governments in response to any request which might be made by the Economic and Social Council.

I hope that this information will assist the Secretary-General and the Council in determining the procedures for dealing with this matter.

Mr. A.D.K. Owen
Assistant Secretary-General
for Economic Affairs,
United Nations,
Palais des Nations,
Geneva

(Signed) E. Wyndham White
Executive Secretary

ANNEX III

Work done by ICAO concerning facilitation of
international air transport and the
establishment of a negotiable air
consignment note

International Civil Aviation Organization
International Aviation Building
Montreal

September 20, 1949

Sir,

I have the honour to inform you that on 13 September 1949 the Council of the International Civil Aviation Organization formally declared that Annex 9 of the Convention on International Civil Aviation, entitled "Standards and Recommended Practices on Facilitation of International Air Transport" had come into force on 1 September 1949 for all States parties to the Convention. Annex 9 will be published with changes only in the Preamble from the preliminary edition of March 1949 and copies will be sent to you in due course.

In taking this action the Council also decided to refer this Annex to the Economic and Social Council of the United Nations, with the suggestion that it be used as a basis for any consideration of the problem of facilitation in the wider field of international transport which the Economic and Social Council might undertake.

In connection with this action of the ICAO Council it is recalled that at the Ninth Session of the Economic and Social Council a resolution was adopted instructing the Secretary-General to "draw the attention of the Member Governments to the work already done in the field by the International Civil Aviation Organization in its 'International Standards and Recommended Practices on Facilitation of International Air Transport'". It is hoped that the United Nations will now find this document a more valuable basis for its consideration of the general question of barriers to the international transport of goods than at the Third Session of the Transport and Communications Commission when the status of the Annex was not yet formally established.

(Signed) Albert Roper,
Secretary-General

Mr. Trygve Lie,
Secretary-General
United Nations
Lake Success, N.Y.

/International Civil

International Civil Aviation Organization
International Aviation Building
Montreal

October 31, 1949

Sir,

I have the honour to acknowledge receipt of your letter dated 31 August 1949 (Ref. ECA 122/02/PdeB) concerning the Resolution on "Barriers to the International Transport of Goods" adopted by the Economic and Social Council at its Ninth Session.

In connection with the second paragraph of the Resolution, I enclose a copy of the Standards and Recommended Practices on Facilitation of International Air Transport, which constitutes Annex 9 to the Convention on International Civil Aviation, and which became effective on 1 September 1949 and are to be applied on 1 March 1950.

The question of an Airwaybill/Consignment Note was considered by the FAL Division of this Organization and upon its recommendation the Council finally agreed that no provisions or references to Airwaybill/Consignment Notes be included at this stage in the FAL Annex. The Air Transport Committee does not believe that the use of this form by the public officials concerned at the present time would facilitate the clearance of any inbound or outbound aircraft. Although its post-clearance use by consignees does enable them in certain instances to facilitate the receipt of their air cargo, it is considered premature to develop this aspect of the matter in the existing Recommendations for a FAL Annex. However the Legal Committee of ICAO and its sub-Committees have considered the problem of negotiability of the Airwaybill/Consignment Note in connection with the revision of the Warsaw Convention. A proposal of provision to be inserted in the revised draft of the Warsaw Convention will be considered by the Legal Committee at the next January meeting.

(Signed) Albert Roper
Secretary-General

Mr. A. Goldet,
Director, Department of Economic Affairs,
United Nations,
Lake Success, N.Y.

/ANNEX IV

ANNEX IV

Action taken by WHO towards a simplification of public
health formalities in international traffic

World Health Organization
Geneva

(Undated - received at Lake
Success on 4 October 1949).

Sir,

I have the honour to acknowledge, with thanks, receipt of your letter No. ECA 122/01/RdeB of 2 September 1949 in which a request is made for information on the latest developments in the action taken by WHO towards a simplification of public health formalities in international traffic.

In this connexion I am to advise you that the Expert Committee on International Epidemiology and Quarantine, set up in 1948 by WHO to effect a revision of the International Sanitary Conventions in force, recommended that in the drawing up of WHO International Sanitary Regulations to replace such Conventions one of the basic principles should be to "aim at ensuring the maximum security against international transmission of diseases with the minimum interference with world traffic." This recommendation, approved by the Second World Health Assembly, has been continually kept in mind during the preparation of the draft texts of the said Regulations and should, in its implementation, do much to lower the barriers to international traffic now placed in the way as a result of the public health formalities required under Existing Sanitary Conventions.

It may be added that, in its work on revision, the Expert Committee has had the benefit of close co-operation with the International Civil Aviation Organization, as well as with the United Nations' Division of Transport and Communications, and will take the steps necessary to secure similar relationship with the Intergovernmental Maritime Consultative Organization, as soon as that body is formed.

For the Director-General

(Signed) R. Gautier, M.D.
Assistant Director-General

Mr. A. Goldet,
Director,
Department of Economic Affairs,
United Nations,
LAKE SUCCESS, N.Y.

/ANNEX V

ANNEX V

30.V.49

BARRIERS TO INTERNATIONAL TRANSPORT OF GOODS

Excessive administrative requirements reported by shipowners

(Note submitted by the International Chamber of Commerce)

In dealing with shipments to Consular Ports, i.e., countries requiring visaed Consular manifests, Invoices, etc., Consular documents are divided into 2 categories, 1, Documentary requirements of the Exporter, and the other of the Owner/Loading Broker/or Agent.

The many difficulties of Exporters in this respect, were very fully discussed by a Committee of Experts at 2 conferences of the International Chamber of Commerce, in Paris 1947, their recommendations being duly submitted to U.N.O. but, the troubles of the shipowner or his appointed agent have not been considered, and it is on this very vital and important matter that we are now to deal.

Prior to the 1914 War, few countries, if any, required Consular Invoices, Certificates of Origin, etc., but, during the War-period, many countries especially the Central and South American Countries, established by decrees, regulations requiring such documents for imports, and, to those countries without such regulations and requirements, it soon became obvious that similar regulations for them would establish a sound source of income and revenue. In the period between the two wars, practically every country from the USA to South Chile had adopted requirements of visaed manifests for import cargo. Passenger Lists, etc. and at the present time amendments to and additional regulations, are so numerous that it is almost impossible to prepare documents with any degree of certainty.

Owners/Loading Brokers are responsible for the compilation of cargo manifests, etc., and to obtain Ships' clearance, it is necessary for them to secure legalization to many documents. Invariably time is the prime factor in these undertakings, and owing to the very short period of Consular Office Official working hours, it often becomes necessary for the Owner/Loading Broker to pay heavy Consular overtime charges in order to minimize delay in despatch of vessel. In many cases, requirements of the importing country are such that it is impossible to complete them before sailing, and therefore arrangements are made for preparation of documents during ships voyage, the Purser of the vessel being made responsible for this.

The following is a rough outline of the tremendous amount of work to be done for despatch of a vessel for Cuba, Ecuador, Colombia, Peru, Chile, etc.:

/PORT

PORT REQUIREMENTS - (Prepared by Purser during voyage).

HAVANA, CUBA

- Customs - 10 Port Manifests to be interleaved with Ballast Certificates.
- 10 Port Manifests to be duplicated with Ballast Certificates.

Manifests must contain declaration to the effect:

"El que suscribe, capitan del buque ingles "....." certifica que lo antes expuesto es una copia fidel del manifiesto original de la carga para Cuba."

Transit cargo manifest and originals and duplicates or Passenger Manifests have also to have this declaration signed by Ship's Master.

Also for Cuba it is necessary to hand in a form drawn up in Spanish to the effect that "In this Port owing to there being no Cuban Consul, the Master certifies the vessel having called in this Port, and swears that no infections or contagious disease exists".

BUENAVENTURA, COLOMBIA

14 Manifests of Cargo required for Port.

- 1 Line to be left between each set of contents on B/Lading.
- Also 1 inch to be left between contents in Tally Books.

- Also for Customs 7 "Sobordos" of Liverpool Cargo.
- 7 "Sobordos" of Cristobal Cargo.
- 7 "Sobordos" of Cargo declared and not embarked.
- 1 List of Embarked Bills of Lading
- 14 Tally Books

Customs Declaration showing:

- Quantity of packages and kilos to land of Liverpool Cargo.
- Quantity of packages and kilos to land of Cristobal Cargo.
- Quantity of packages and kilos to land shortlanded ex other ships.
- Detail of contents to be shown in Tally Books and numbers to be run out.

Should there be no cargo for the port then the same quantity of "Sin Cargo" Manifests.

QUAYAQUIL, ECUADOR

14 Manifests for Port and 3 Transit Manifests.

All Transit Manifests to be complete detailed.

Manifests same as supplied to Customs of Port for which cargo is destined
Similar numbers if "Sin Cargo".

A line to be left between each item as Colombia. Separate Cargo Manifests for cargo to La Libertad to be furnished at Quayaquil.

/Line to be

Line to be left between contents on Tally Books also.

Details of contents to be shown in Tally Books.

PERU, CALLAO

23 Manifests for the Port and 6 in Transit.

All Manifests as in Colombia and Ecuador to be written in Spanish.

In Peru, it is necessary to show the C. Ft. of Meast. Cargo as well as the Kilos.

24 Tally Books to be supplied for Port. (These are copies of the books compiled at ship-side during Loading, and give full Shipping Marks, NCS. Weight, Meast, etc.).

CHILE, VALPARAISO

36 Manifests for the Port including 6 Transit.

All Manifests to be written in Spanish.

Kilos to be added in Chilean Manifests.

In addition separate Manifests required for Inflammable Cargo.

In addition 2 Manifests of Cargo for South Chile.

In addition 2 Manifests of Cargo for UK Ports.

For all South American Coast Ports Passenger and "Sin Passenger" lists require in similar numbers to above Manifests. Special detailed Police lists showing names, addresses, ages, M. or S. etc., and Baggage Lists to go with them.

In Chile and Peru, personal Baggage Declarations are required to be compiled in alphabetical order and numbered to agree with Baggage Summaries.

If unfortunately in preparing documents, errors occur, fines are levied by Customs on carrying vessels, and it would perhaps be of interest to mention that in a number of countries Customs Officers and representatives receive small salaries for their duties, but their Governments have arrangements whereby incomes may be augmented by payment to them of an agreed percentage of all fines imposed. This of course has the expected result of strict scrutinization of all Shipping documents and the levying of fines for the slightest variance of detail.

While admittedly some of the present documents and data are necessary requirements in connexion with ordinary commercial trade, it is the desire of all concerned to obtain definite action in simplification of Consular requirements and synchronization of Consular Office hours to correspond with office working hours. Also that documents required for completion, i.e., Manifest and Consular Invoice Forms, etc. are always available when required. It is frequently the case that these forms are not procurable owing to short supplies to the Consulates from their Governments.

/Surrounded

Surrounded with such a multitude of documentary work and administrative requirements, it will readily be realized that the lot of Owner/Loading Broker is not a happy one.

ANNEX VI

INVISIBLE BARRIERS TO TRADE AND TRAVEL

(Extracts from resolution 7 of the Quebec Congress of
the International Chamber of Commerce)^{1/}

If international trade is to function and develop efficiently and smoothly - an objective to which more than fifty countries have subscribed in signing the Havana Charter - it is essential that administrative regulations and formalities should be designed to help rather than hinder the trader and traveller in their efforts to conduct business within the limits set by commercial and monetary policies. Where trade, transport and travel are controlled, obviously there must be some administrative procedure to implement the control, but this procedure should have no other purpose than to prevent what is unauthorized and facilitate what is authorized.

This is rarely the case today. The trader, and particularly the importer, is faced with a maze of regulations and formalities which are in themselves a deterrent to conducting and still more to expanding his international business. The same applies to the carrier of the goods, and particularly the shipowner, who is frequently subjected to unnecessary delay and expense owing to vexations consular and customs formalities, overtime, etc., as well as to the businessman and tourist travelling abroad.

The International Chamber of Commerce is not concerned in the present Resolution with the underlying policy. It is concerned with the machinery set up for giving effect to that policy. It believes that the expansion of world trade demands a drastic simplification of administrative procedure and formalities whatever the policy followed.

The importance of this to the future development of world trade and travel cannot be over-emphasized. Cumbersome, costly, obscure and changeable regulations and formalities are often as severe a hindrance as the policies from which they arise.....

The ICC has given careful consideration to the practical issue of how best to make rapid progress towards simplification and standardization of formalities and regulations connected with international trade, transport and travel. It believes that in present world conditions there can be little hope of achieving practical results by attempting to draw up universal binding conventions for

^{1/} The resolutions of the ICC Congress of Quebec have been circulated as Document E/C.2/224.

/signature

signature and ratification by all governments. Experience in the inter-war period, as well as more recently, has shown that this method merely results in whittling down the principles adopted at the outset to bring them into line with the lowest common denominator of existing practice.

The ICC therefore suggests that a more practical approach would be to attack the problem simultaneously on the national and international planes by the following procedure:

1. Each government should set up immediately an independent committee of experts, consisting of representatives of business interested in the import and export trades as well as government officials, to revise existing practice in the light of the provisions of the Havana Charter and of the General Agreement on Tariffs and Trade as well as of the 1923 Convention and any other relevant recommendations and reports issued by the League of Nations and other competent international and regional bodies. A progress report should be sent in each year to the Economic and Social Council or to the International Trade Organization.
2. Concurrently, work could be started by the signatory governments of the Havana Charter or of the General Agreement on Tariffs and Trade on the elaboration of internationally standardized rules. A small international committee of independent experts could be set up for that purpose, likewise composed of representatives of business interested in the import and export trades as well as of government officials. The rules drafted by these experts should not be submitted in the form of binding universal conventions, but as models for bilateral or limited agreements or for unilateral action.

The ICC realizes that any attempt to deal with all possible aspects of administrative procedure at the same time would be doomed to failure. In the report published in Brochure 130, its Committee of Customs Technique has therefore prepared recommendations on nine questions of outstanding importance which it believes Governments might usefully select as a starting point for immediate action. The ICC recommends this report to the earnest attention of individual Governments and of the United Nations Organizations concerned.