Non-DCV countries having f.o.b. systems said that they did not regard their system as more of a non-tariff barrier than any other system and, inter alia, made the following points:

1. They believe that difficulties would be created for them in adopting these proposals since the CCV did not always use prices actually paid thereby permitting extensive discretion to administrators in finding the notional price. This was essentially their problem with uplifts.

2. They believe that exporters would face greater difficulty in determining the value for duty when determined in the importing country, as with the BCV system, than when value is determined on actual prices paid in the exporting country and also in their view made appeal more difficult.

3. Very extensive distortion of existing competitive relationships among trading partners would be involved in a shift from f.o.b. to c.i.f.

4. The Brussels system of valuation would cause particular difficulties for countries which geographically have large overland distances between ports of entry and between market centres. The adoption of c.i.f. values would distort both trading and transportation patterns. The suggestion that the adoption of the Brussels system using f.o.b. value redefined as c.i.f. value minus freight and insurances does not alleviate these difficulties associated with the c.i.f. system itself. Such a procedure could result in different values for duty being applied for the same product at different ports of entry even when shipped by the same exporter.

5. The suggested system offers no greater precision as to price, time, place, quantity, and level of trade.
6. The representative of Canada said that the problems raised with regard to the complexity of the Canadian nomenclature were to a great extent not related to the nomenclature itself but to the existence of the "end-use" and "not made in Canada" clauses, to provide lower duties and which would remain even if the BTN were adopted. Canada pointed out that conversion to the BTN would be a long and difficult task which Canada believes would not go as far as notifying countries expect in solving the problems they believe exist. Canada suggested that the most useful approach would be to look at any of the particular proposals for simplification within the present system. Both for exporters and for tariff negotiations the problems would be alleviated through the establishment in the very near future of a concordance between the Canadian nomenclature and the BTN.