
In submitting these observations it is desired that it should be understood that these are not the only points on which it might be desired to comment or make suggestions for amendments during the course of discussion or at other appropriate times.

**Article 10. Freedom of Transit (A.3 of Provisional Agenda)**

It is suggested that this provision should be limited to goods. The reference to persons in sub-paragraph 6 is not clear. Persons in transit would be subject to immigration laws in the countries concerned.

**Article 11. Antidumping and Countervailing Duties. (A.4 of Provisional Agenda.)**

**Paragraph 1.** Case (a) is in accordance with the provisions of the Customs Acts, subject to the point that the law respecting valuation and imposition of dumping duties refers to "identically similar goods" sold in the domestic market. If identically similar goods are not so sold, power of assessment of their domestic value rests with the Minister of Customs, and the usual practice in such cases is to assess the domestic value by adding to the factory or works cost of the export article the same percentage of gross profit as is added to such cost of the nearest comparable article sold in the home trade in arriving at the domestic selling price of the latter. This practice would be followed under Case (b) there might be objection to the export price to any third country being
taken as suggested in the Draft Charter as a basis, since that is open to misuse. Under Case (e) our law specifies "the cost of production (including a reasonable profit)."

The New Zealand legislation also provides that dumping duties may, on the decision of the Minister of Customs, "be applied in respect of special concessions (railway or shipping freight, subsidy, special bounty, rebate, or otherwise) allowed, taken or granted having a prejudicial or injurious effect."

Article 12. Tariff Valuation. (A.5. of Agenda)

New Zealand is in general accord with the proposal in paragraph 1 that steps be taken towards reaching, as far as practicable, a uniform basis for the valuation of goods for duty purposes. In New Zealand payment of ad valorem duty is based on the domestic value of the goods in the country of export and at the time of exportation, irrespective of its relationship to the export price. Provision is made for deduction of drawback of import or of excise-duty (on parts, materials or ingredients) therefrom, and for determination of the domestic value from the point of view of the quantity involved.

This method of valuation has proved generally satisfactory.

Where owing to particular circumstances valuation on the above-mentioned basis is impracticable, the Minister of Customs is empowered to assess the domestic value. This procedure is adopted only on the rare occasions when the value is not ascertainable in accordance with the above, and it can be said that assessments in such cases are generally advantageous to the importer.

With regard to the general principles outlined in paragraph 2(a) of Article 12, the words "actual value" appear to require interpretation, similarly to the words "of the kind". The value for duty purposes in New Zealand is the domestic value (as above) plus ten per cent.
the addition of ten per cent being a long-standing practice to arrive at a CIF value, without incurring the task of ascertaining the actual additional charges in each instance, which would be extremely difficult if not impracticable in the case of shipments of mixed lines.

**Article 15. Publication and Administration of Trade Regulations - Advance Notice of Restrictive Regulations. (A.8 of Agenda).**

New Zealand practice is generally in conformity with paragraph 1 and with the first sentence of paragraph 2. With regard to the second sentence of paragraph 2, the position is that in New Zealand appeal may be made to the Minister of Customs against administrative decisions and it is considered unnecessary to set up a special tribunal.

Respecting paragraph 3 it is the practice in New Zealand to apply increased duties immediately following announcement thereof and it is considered that it would not be practicable to adopt the suggestion that they should not be applied to goods "en route". Provision is made in the law whereby the seller may add the amount of increase to the purchase price agreed upon prior to announcement of such increase.