

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

TBT/Spec/15

16 September 1985

## Committee on Technical Barriers to Trade

### NOTIFICATIONS IN THE INVENTORY OF NON-TARIFF MEASURES RELATING TO TECHNICAL BARRIERS TO TRADE

Further to its discussion of the status of work on notifications in the sections of the Inventory of Non-Tariff Measures relating to standards (TBT/M/11, paragraphs 34-38, TBT/M/12, paragraphs 16-18, TBT/M/17, paragraphs 38-40, TBT/M/18, paragraphs 39-43 and TBT/M/19, paragraphs 30-31), the Committee on Technical Barriers to Trade agreed to the circulation of these notifications among Parties to the Agreement on Technical Barriers to Trade (TBT/M/19, paragraph 32).

The notifications attached hereto reproduce those contained in the parts and section of the Inventory of Non-Tariff Measures (Industrial Products) which are indicated below for reference.

<u>Parts and sections of the Inventory of Non-Tariff Measures (NTM/INV)</u>	<u>Title in the Inventory</u>	<u>NTM/INV Item number</u>	<u>Pages of the present document</u>
Part III	Technical Barriers to Trade		
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III. A. General

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Hungary	Stricter quality requirements		Austria	III.A.1

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A. Method

Stricter quality requirements cause difficulty for traditional exports from Hungary.

B. Effects

C. Comments by the maintaining country

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
United States	Quality control (draft legislation)	Pharmaceutical products	EEC	III.A.2

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#### A. Method

Only protectionism could explain the maintenance, for third-country products, of a régime less liberal than that accorded to specialities of member countries; to maintain such a situation would moreover interfere with the attainment of the own objective of the EEC of creating free trade in pharmaceutical products within the Common Market. The well-known close links between firms in the European chemical industry and European-wide market for many specialities make it all the more difficult to accept this discrimination. The right of the EEC to establish common rules applicable to domestic goods and imports as well is not in question, but only failure to extend EEC-wide acceptance to products which have qualified in one member country.

#### B. Effects

#### C. Comments by the maintaining country

The EEC considers that this notification is out of date. If, however, the notifying country still considers that the measure affects its trade, the EEC insists that the notification be updated.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Hong Kong United States	Technical visas	See text	EEC (France)	III.A.3

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A. Method

Requirement for technical visas for a range of goods not subject to quantitative restrictions, officially to ensure that they conform with French health requirements, labelling procedures, performance specifications etc., but there appear to be other objectives to this system. For instance, the system provides a method for surveillance of certain new or second-hand goods and permits their restriction if necessary. Such surveillance is also exercised on imports considered potentially disruptive. Frequently, items which have been taken out of a quantitative restrictions list are put on the list of items requiring technical visas. According to Hong Kong this visa system enables France to watch certain types of Hong Kong exports to France. The grant of the visa involves often many different ministries or authorities such as the Atomic Energy Commissariat, the Ministry of Agriculture, of Industry, of Health, etc. Whereas the list of items requiring technical visas had contained sixty-nine items in 1966, it now contains more than 110 items.

B. Effects

Technical visas, although in some cases a mere formality, result in delays and considerable inconvenience. According to Hong Kong the fact that seven of the items on the visa list relate to Hong Kong goods only, is a discriminatory provision. The requirement has a number of implications for trade and therefore amounts to a non-tariff barrier. The statistical reasons given for the technical visa requirement seem rather onerous on traders. The system itself could be administered to cause delays if necessary.

In most cases the formality of obtaining a visa has little more than nuisance value but in some, particularly the aircraft industry and others where the main user is in the public sector, the visa system provides an effective barrier to imports. This applies to aviation components and some materials such as titanium alloys. It also applies to some mechanical handling equipment, such as fork-lift trucks.

The United States views the technical visa system as an unnecessary formality equivalent to discretionary licensing which has the potential of restricting trade through administrative delay. The United States maintains that adequate surveillance of sensitive imports can be accomplished by regular invoice procedures at the time of importation).

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Hong Kong United States	Technical visas	See text	EEC (France)	III.A.3

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C. Comments by the maintaining country

The current list contains three hundred and ten items requiring technical visas; of these one hundred and sixty will be deleted soon and eighty more will follow at a later date. Only seventy items will therefore remain on the list. The aim of the technical visa system is to obtain specialized statistics rather than exercise a standards control. The subject might, therefore be better considered under a different title than industrial standards. As the methods of obtaining statistics are modernized, the requirements for technical visas would diminish. The formality also makes it possible to identify trade in products that are not sufficiently well defined in the customs tariff, when the customs statistics relating to the heading concerned do not make it possible to determine the products still under quantitative restriction or not. Other useful information thus gathered concerns the end-use of certain products, for instance, various kinds of paper. With regard to Hong Kong (see also under Certificates of Origin) there is a problem of controlling trade diversion at Hong Kong's request. There is also need to control second-hand goods, such as American surpluses which are freely imported but which need surveillance not to disrupt the market. The principle object of the technical visa, however, is still to furnish immediate data that can be used for forecasting imports of certain particularly sensitive products. Technical visas also have a standards control function, particularly for those products requiring phyto-sanitary certificates. In some ways, technical visas replace consular invoices as a source of specific information.

Under French organic regulations the technical visa affixed to the declaration of intention to import in respect of a small number of liberalized products is not the same as a quantitative restriction. Its purpose is essentially to provide the authorities responsible for preventing economic upheavals due to foreign trade with prompt statistical information enabling them to make timely proposals to safeguard the lawful interests of French producers. The technical visa system is also used for checking whether imported goods before being placed on the home market meet the standards of hygiene, safety and protection of the customer which incidentally are required of national products. The number of liberalized products still requiring a visa has been steadily decreasing for several years. It varies according to the trading areas as defined by the French regulations. For the area embracing the State-trading countries, where the control is most stringent, only ninety customs items are subject to the technical visa, forty-one of them only partial items.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Hong Kong United States	Technical visas	See text	EEC (France)	III.A.3

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For the area of the "GATT countries", which embrace most of the market-economy countries not members of OECD, only fifty-one items are subject to the visa - eleven entire and forty partial.

For the OECD countries, only twenty-four items are subject to the visa, five entire and nineteen partial.

Furthermore, the technical visa procedure has been relaxed; a number of products are now exempt from the prior visa requirement and are subject merely to customs formalities and to a posteriori statistical control (products in the electronic sector). As regards the technical visas still in force, it should be noted that in France commercial import transactions are covered by the rule of professional secrecy vis-à-vis all government authorities other than the tax and customs administrations, so that trade flows for the most sensitive products can be kept under review through the visa without in any way impairing the freedom of operators. Lastly, under the general heading "import documents", technical visas are currently used in the context of the common commercial policy of the European Communities (textiles, iron and steel products).

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada United States	Tripartite Accord - harmonization of electronic component systems	Electronic components	EEC (France, Federal Republic of Germany, United Kingdom)	III.A.4

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#### A. Method

The following questions are raised by the United States, which expresses concern regarding the scope and effect of this agreement:

1. What procedures have to be followed by manufacturers of non-participating countries to obtain certification of their products as complying with the specifications of the Accord?
2. Will participating governments require mandatory compliance with harmonized specifications in the area of government procurement?
3. To what extent will compliance with harmonized specifications, either in law or effect, be mandatory in the private sector?
4. Is the United States eligible to become a party to the Accord and to participate equally with the other parties to the Accord and to participate equally with the other parties in the harmonization of specifications?

Canada adds that it would be useful to have a report on the status of work for this agreement and information on when the work would be completed and the agreement implemented.

#### B. Effects

The United States considers that the Tripartite Accord represents a new and significant non-tariff barrier which will direct the burdened United States exports of electronic components to plants of the Federal Republic of Germany and the United Kingdom and to such other countries as might associate themselves with the Accord. The effect of the Accord will be to make it uneconomical for users of electronic components in those countries to purchase components from any plants other than those located within their territory which have been certified by their government as meeting the technical standard and quality control procedures contemplated by the Accord. If this plan were fully implemented it would as a practical matter be impossible for United States manufacturers of electronic components to sell effectively to users of components in these two countries, and such other countries as might want to become a party to it. Since France, the Federal Republic of Germany and the United Kingdom are members of the International Electro-Technical Commission, as is the United States, it would be preferable if the Tripartite countries were to continue working within the framework of that organization.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada United States	Tripartite Accord - harmonization of electronic component systems	Electronic components	EEC (France, Federal Republic of Germany, United Kingdom)	III.A.4

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The creation of new trade problems at this juncture, threatening to seriously complicate the certification of United States exports of electronic components, is inconsistent with current efforts to find ways of reducing non-tariff barriers. The problem has two dimensions. First, the particular problems arising out of this accord for electronic components and secondly, and more broadly, the problem that there would be standards developing in one or another or many contracting parties in many areas of production. Given the background of increasing public interest in all countries in the nature of standards, in the safety, health, technical standard field, it could be expected that an increasing number of standards would be established. It is important to be able, in a concrete case of this type, to solve the problem of establishing such standards without having adverse trade effects, and to set an example for any other such standards to be established in other fields which might affect trade. That problem is the most important.

The United States stresses the importance of providing means to deal with problems of new standards while they are in evolution, and not once they are set and agreed upon by any group of countries. It is important to be involved in the evolutionary process and to participate in the discussions of drafts, and the elaboration of hypothesis. The United States stresses that it is not reasonable at this juncture to have any group of countries set standards without providing procedures for other concerned parties to be involved during the process of elaboration. This matter should be given high-level attention in the capitals of the three countries concerned.

For the United States it is a matter of concern that the European body of the IEC, of which countries such as Canada, Japan and the United States are not members, agree to apply the scheme within its frame-work. These standards will have adverse trade effects and it is in the interest of all to provide, in cases where countries express strong concern, the same avenues of consultation and discussion before standards are fixed. The United States has voluntarily provided such avenues in the question of automobile safety standards. While the United States has offered co-operation in the automobile sector, the three countries concerned in the electronic components sector are unwilling to provide for a broader basis of discussion of standard prior to their final establishment.



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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada United States	Tripartite Accord - harmonization of electronic component systems	Electronic components	EEC (France, Federal Republic of Germany, United Kingdom)	III.A.4

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The United States further asks whether the parties envisage an accession clause and whether the terms of that clause would be discussed with other countries before it is finalized.

C. Comments by the maintaining country

The Community agrees that the provisions of the Tripartite Accord should be brought within the scope of the International Electro-Technical Commission (IEC). The Community takes a close interest in the progress of the IEC and considers that the IEC is the most appropriate body to solve problems arising from differing standards for electrical components. Greater international effort is clearly required for the IEC to become fully effective. In the meantime the Tripartite Accord has a useful rôle to play and should remain in force pending wider international agreement on standards for electrical components.

Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada	Administration of drug regulation, a source of delays	Pharmaceuticals	EEC (Italy)	III.A.5

#### A. Method

All drugs sold in Italy are subject, whether of domestic or of foreign manufacture, to required registration and control of their quality, quantity and therapeutic properties. This is clearly provided for in laws of 1955 and 1934, although there is provision for exception from the registration requirement. Documentation is also a matter of formal requirement.

#### B. Effects

Canadian traders find the fees involved in registering new drugs to be excessive. It has been understood also that a more elaborate requirement seems to be involved where the goods compete with an Italian product. Much time as well as expense is involved, running to as much as twenty to twenty-six months.

#### C. Comments by the maintaining country

Sales of all drugs, whether of domestic or of foreign manufacture, are subject to registration which involves a control of their quality as well as of their therapeutic properties.

These control procedures are applied to domestic and foreign products without any discrimination.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada	Administration of drug regulation, a source of delays	Pharmaceuticals	EEC (Italy)	III.A.5

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The fundamental importance of the verifications and controls required by the health authorities should be beyond discussion and could in no case be considered as barriers to trade.

If delays are found to occur in the registration procedure, they are solely in respect of new products for which the documentation is often incomplete.

The fees charged for inspection by the health authorities, before a new product can be offered for sale, are not higher than elsewhere.

Although registration and examination requirements are the same for domestic and imported products, it appears that on foreign products documentation is often incomplete so that more elaborate investigation is required, which might account for the appearance of delay. It has also been found that foreign testing agencies are sometimes too ready to accept the claims of manufacturers concerning the properties of pharmaceuticals so that independent testing is necessary. However, Italy's regulations in this regard are not believed to be in any way exceptional, costs are non-discriminatory and moderate and the measures necessary to ensure public health can hardly be regarded as an obstacle to trade.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
United States	Permit regarding quality	Compound fertilizer	Finland	III.A.6.

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A. Method

Imports require a Ministry of Agriculture permit regarding quality.

B. Effects

C. Comments by the maintaining country

The law on fodders and fertilizers does not give any company a monopoly for the production, imports or marketing of fertilizers. There are provisions in this law for the establishment of new enterprises for the production of fertilizers. Because the size of the operation required much capital and long-term planning, the State initiated the manufacture and trade in fertilizers to meet the particular requirements of Finland's climate and seasonal variations. There are two such companies, one of which handles the marketing of the whole production.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
United States	Permit regarding quality	Compound fertilizer	Finland	III.A.6.

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Demand has usually been covered by domestic production, but small amounts have occasionally been imported. Imports are not the object of any monopoly or subject to licensing.

The law on fodders and fertilizers has provisions for quality control. These are non-discriminatory and apply equally to domestic as well as imported products, although the former are in practice more closely controlled as quality control of the domestic products occurs throughout the production process. According to the above-mentioned law, the State Institute for Agricultural Chemistry controls that the fertilizers being marketed in Finland comply with their guarantee certificates and that they do not contain substances dangerous to the environment.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
New Zealand	Restrictive standards	Radiata pine (less than 6 millimetre rings)	Japan	III.A.7

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A. Method

Restrictive standards are applied with respect to radiata pine.

B. Effects

C. Comments by the maintaining country

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada EEC Nordics	Sanitary regulations	Lumber imports and wooden containers	New Zealand	III.A.8

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#### A. Method

New Zealand applies sanitary regulations on lumber imports. According to Canada, these regulations require that all such materials be completely free of bark and every visible sign of infection and that they be accompanied by a declaration that all timber used for packing is free from bark and visible signs of insect and fungal attack when shipped to New Zealand. All imported forest products are subject to inspection on arrival at a New Zealand port, notwithstanding presentation of any certificate or declaration, and to treatment as directed by the quarantine office, if found necessary. The full cost of treatment or destruction, including handling costs, are charged against the importer.

#### B. Effects

#### C. Comments by the maintaining country

New Zealand applies sanitary regulations to ensure against contamination from pest. Further information on these regulations is, if required, available from a booklet entitled "Interception of foreign pests and diseases, New Zealand Forest Service, 1980".

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Argentina	Other technical barriers to trade	Medicaments	Nordic countries	III.A.9

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A. Method

B. Effects

C. Comments by the maintaining country

1. Comments by Norway

A Medical Supply Centre was established by law in 1953. It has the exclusive right to import, export and handle sales of pharmaceutical products and drugs, whether of domestic or foreign origin, to Norwegian pharmacies. The Centre stocks all foreign and domestic pharmaceutical products which have the required approval of a special Commission under the Ministry of Social Affairs. Approval is granted to products considered acceptable from a medical point of view, and for which a need is considered to exist. The Commission aims at reducing the number of pharmaceutical products of similar composition, so as to avoid accidents or mistakes resulting from the use of wrong medicines and to facilitate doctors' choices. No preference is given to domestic products however.



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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Argentina	Other technical barriers to trade	Medicaments	Nordic countries	III.A.9

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## 2. Comments by Finland

While the general character of the notification renders it difficult to comment on it, Finland wishes to point out the following:

Activities connected with the manufacturing and trade of medicaments have traditionally been and continue to be surveilled by the National Board of Health, which also grants sales permits to all medicaments and sets the maximum allowed wholesale price. The sole purpose and effect of the system is to protect human life and health and it is thus fully in conformity with Article XX (b) of the General Agreement. A reasonable price level is one of the necessary preconditions for a sales permit. All actions by the National Board of Health apply equally to both domestic and foreign manufacturers on the basis of the same regulations and there is no discrimination against imports. Finland therefore fails to understand why this notification has been addressed to it.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Hungary	Regulations and special requirements	Products of the engineering industry, machine tools	Norway	III.A.10

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A. Method

Regulations which are stricter than international standards, special requirements with regard to safety and electrical protection.

B. Effects

C. Comments by the maintaining country

Norwegian regulations in this field are based, in general, on internationally accepted standards. Deviations may occur due to special national conditions as to climate, geography, etc.

To be able to make further comments, details are required as to which regulations are causing problems to Hungarian exporters.

III. B. Technical Regulations and Standards

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Brazil EEC	Canadian Standards Association for Electrical Equipment	Electrical equipment	Canada	III.B.2

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A. Method

Prior approval obtained from a nationally recognized testing laboratory is compulsory in Canada before any foreign electrical equipment can be sold. The unique character of certain Canadian standards requires special designs.

B. Effects

The expense and procedure of obtaining approvals as well as the difficulty of meeting special standards requirements put smaller manufacturing firms at a disadvantage and often precludes their entry into the Canadian market.

According to Brazil a request for approval for electrically-heated shower fittings, sent to the CSA on 29 January 1965, has been answered on 11 January 1967, i.e. 1 year, 11 months and 18 days later. The charge for testing is CAN\$405.63.

According to the EEC, this seems to be a case in which the standards are not excessive but the method of their application results in a hindrance to trade because of the time and expense involved in obtaining approvals. It is the methods of verifying compliance with the standards that are in question rather than the standards themselves.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Brazil EEC	Canadian Standards Association for Electrical Equipment	Electrical equipment	Canada	III.B.2

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C. Comments by the maintaining country

While CSA standards are voluntary, it is correct that provincial legislation exists for some products. CSA testing laboratories have been established throughout the country to facilitate delivery of approvals. For example, the Vancouver branch of the CSA has been testing products for West Coast United States firms for some time. CSA takes account of testing already performed in the United States by such organizations as Underwriters' Laboratories. In addition to four regional Canadian laboratories, CSA has arrangements with the Japan Machinery and Metal Institute (JIM), the British Standards Institute (BSI), and NV Tot Van Electrotechnische Materielen (KEMA) of testing.

On 10 December 1964, the Canadian Standards Association received an application from the Brazilian Government Trade Bureau in Montreal for preliminary examination of electrically-heated shower fittings. The following month, on 15 January 1965, the Canadian Standards Association testing laboratories replied that the application could not be approved because of Canadian Electrical Code requirements, but that if the Brazilian Trade Bureau wished to pursue the matter, it could be taken to the provincial authorities via the Canadian Standards Association Approvals Council under "Fact-Finding Investigation Procedure". The Brazilian Trade Bureau chose this option and filed a formal application for a fact-finding investigation on 28 January 1965.

On 18 August 1965, the CSA interrupted the investigation upon receipt of a letter from the Brazilian Trade Bureau requesting a meeting. The CSA replied on 8 September 1965, by inviting the Brazilian Trade Commissioner to visit the CSA testing laboratories at his convenience. On 22 June 1966, no reply having yet been received, the CSA wrote to determine whether the Brazilian Trade Bureau remained interested. A reply was received 29 June 1966, however, from the Brazilian Embassy in Ottawa instructing the CSA to continue the investigation and informing the CSA that the lengthy silence on the Brazilian's part was due to the fact that their Montreal Trade Bureau had closed down sometime in the past.

On 5 January 1967, the CSA informed the Brazilian Embassy in Ottawa that, after considering the results of the fact-finding investigations, the CSA Approvals Council had decided that the application for approval of the electrically-heated shower fitting could not be accepted since "the provision of electrical components at the shower-head is contrary to the intent of these rules", i.e., the rules of the Canadian Electrical Code re electrical equipment in bath or shower rooms.

Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Brazil EEC	Canadian Standards Association for Electrical Equipment	Electrical equipment	Canada	III.B.2

It would seem that the costly aspect of the testing procedure was due to the Brazilian request for a fact-finding investigation while the lengthy aspect was caused by the breakdown in communication resulting from the closing of the Brazilian Trade Office in Montreal.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
United States	Imports permitted only in can sizes established by the Canadian Government.	Can sizes	Canada	III.B.3

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A. Method

Five can sizes standard in the United States are not permitted in Canada, including the popular size 303.

The United States proposes that Canada withdraws its limitation on can sizes or at least change its regulations to include the five standard United States sizes, namely:

303/406	Standard size - used for vegetables
300/407	Used for asparagus
211/400	Used for asparagus
211/300	General purpose
211/304	General purpose

B. Effects

Canada should not forbid entry of certain sized containers commonly used in commercial trade in the United States shipped throughout the world. This could easily be permitted in Canada and would remove a barrier to trade, especially as no auxiliary problems of health appear to be involved.

C. Comments by the maintaining country

The trend both in North America and elsewhere is towards a reduction in the number of permissible consumer container and package sizes. The Canadian Agricultural Standards Act has limited the number of sizes in which certain foods can be retailed as a means of helping the consumer to compare prices easily and without having to take account of differences in the content of a wide range of cans of different shapes. All standard container sizes in use in Canada are today or have been at some time in common use in the United States. Adoption of United States sizes is not necessarily the best way of obtaining standardization of sizes.

Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
United States	Imports permitted only in can sizes established by the Canadian Government.	Can sizes	Canada	III.B.3

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It is an accepted principle to limit can sizes in order to help consumers compare prices and quantities. In view of the change-over to the metric system, it was not the appropriate time to introduce new regulations. When the change will be effected, other countries' interests will be taken into account.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada United States	Standards	Electrical consumer goods, building codes, and plywood	EEC (Federal Republic of Germany)	III.B.4

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A. Method

Standards for softwood plywood require the use of five veneer plys in 3/8" softwood plywood. This specification is apparently based on the strength of the veneers manufactured from the species of wood used by the European plywood industries.

The United States states that the Federal Republic of Germany maintains a standard for plywood acceptable for structural purposes based on the number of ply for a given thickness.

Another German plywood standard requires the use of a particular preservative preparation against fungus and rot. The only preparation recognized in this regard is known by the trade name "Basilium" and is produced only by a German corporation.

Building codes, particularly with regard to prefabricated wooden housing, vary from district to district.

B. Effects

Canada states that because of the nature of Canadian wood species and the type of equipment used by the Canadian plywood industry, Canadian 3/8" softwood plywood is always manufactured with 3-ply using thicker veneer. This results in a product virtually of the same strength as that manufactured in Germany under the standards in effect there. One way of shipping Canadian plywood to Germany is with the prior approval of architects specifying the plywood to be used. Substantial quantities have been shipped under this system. However, this does cause some problems for Canadian exporters. The different building codes restrict the market for a wide range of Canadian building materials and techniques.

According to the United States, the effect of this standard is to discriminate against plywood of North American origin which is manufactured using different production techniques and types of wood but which still meets the conditions necessary for use as a structural material.

The United States does not consider the membership of the Federal Republic of Germany in the Standards Code to be sufficient reason for removing this notification. At this time, no changes are proposed.



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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada United States	Standards	Electrical consumer goods, building codes, and plywood	EEC (Federal Republic of Germany)	III.B.4

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C. Comments by the maintaining country

Standards in Germany are designed for safety and are non-discriminatory: they apply equally to foreign and domestic producers. Any discrimination of imports is therefore excluded. In view of the information supplied it is not justified to notify these measures as trade barriers.

The EEC suggests the deletion of all references to plywood.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
United States	Pharmaceutical regulations	Pharmaceuticals	EEC (France)	III.B.5

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A. Method

Two requirements appear to be involved for sale of foreign pharmaceuticals in France, first a visa document giving formal approval to the product in respect of its content, therapeutic properties, method of manufacture, quality controls, packaging and labelling. Second, there must be a so-called authorization for sale from a French Government inspector attesting that the specifications of the visa have been adhered to. Further, French sanitary regulations require manufacture under the supervision and control of French pharmacists and French public health inspectors; authorization for sale can not be granted unless the sanitary regulation has been complied with.

B. Effects

While the visa might technically be obtainable, it is not granted as there is no way for a foreign product to obtain the authorization for sale. The combined regulations, in short, preclude imports. Special regulations are said to exempt imports from these regulations in cases of extreme urgency, for testing purposes in regard to veterinary products and for certain raw materials. Bulk shipments of pharmaceuticals in a semi-manufactured condition may be classed as raw materials if a domestic source of supply is unavailable or inadequate. Some visa applications are annotated on their return to applicants with the name of the equivalent French product given as sufficient reason for rejection of the visa. Although this visa requirement applies to domestic as well as imported goods, it could certainly not be said that the regulations are the same for both, given the great difficulties in obtaining the visa for imports. One industry complaint has further referred to a requirement that a major part of the manufacture of an imported product be undertaken in France. Information is sought on this point.

The inspection and certification system in the United States differs significantly from the prohibitive French system of requiring manufacture under the "supervision and control of French authorities". The United States system requires only that French plants be inspected and certified.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
United States	Pharmaceutical regulations	Pharmaceuticals	EEC (France)	III.B.5

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Pharmaceuticals represent a case in which the United States goes to some length to enable French pharmaceuticals to be sold in the United States, sending United States Food and Drug Administration inspectors to inspect and certify French plants in conformity with United States requirements. Yet there is no reciprocity in this matter. It is quite understandable that inspection during manufacture is required, here as in other standards enforcement cases. But in this case the United States has made an effort to make importation into the United States possible notwithstanding similar United States requirements, and face an absolute prohibition because of the lack of a reciprocal effort by France. This is especially disturbing now that other members of the EEC have free access to the French market while United States products are still being excluded.

It appears, from the extensive foreign investment in pharmaceuticals manufacturing in France, including some thirty wholly-owned subsidiaries of United States companies, that direct investment has been necessary to overcome a barrier to importation. (1) Why does France require that medicaments be manufactured under the supervision and control of French authorities - would not inspection and certification be sufficient? (2) Is it possible for a French official to inspect a foreign plant and certify that production has been in conformity with French law? (3) If not, how does the Government of France justify its requirements when United States Food and Drug inspectors do regularly inspect and certify French plants to allow them to export to the United States?

C. Comments by the maintaining country

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Czechoslovakia	Health, safety and other standards and regulations		EEC (Greece)	III.B.6

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A. Method

There is not sufficient information concerning industrial, health, security and other standards and regulations in Greece. Moreover, the interpretation of these regulations is not uniform. The application of standards and regulations in Greece is often used as a measure restricting imports. For instance, in addition to veterinary certificates Greek authorities require a confirmation by the Greek consulate in Prague that the veterinarian who has issued the certificate is duly authorized. As a consequence of continued and repeated requirements of this sort the Czechoslovak exporter lost his interest for the Greek market.

B. Effects

C. Comments by the maintaining country

The notification is still under review.

III. C. Testing and Certification Arrangements

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
EEC Nordic countries	Certification regarding ILO safety recommendations	Certain machines and appliances	Brazil	III.C.1

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A. Method

In connexion with export to Brazil of certain machines and appliances the exporter is required to present to the Brazilian consulate a certification in two copies that the machines or appliances have safety arrangements in accordance with recommendations by ILO. The requirement of such certifications which must be issued by "a competent authority" imposes a special burden on the exporters.

B. EffectsC. Comments by the maintaining country

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Romania	Testing standards	Electrical products	Denmark Finland Norway Sweden	III.C.2

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A. Method

The State-testing organizations for electrical equipment in Denmark (DEMKO), Finland (FEMKO), Norway (NEMKO) and Sweden (SEMKO) require individual testing in the country prior to certifying imports of electrical equipment.

Romania has notified SEMKO regulations with regard to CCCN items 84.15, 52; 85.06, 16, 19, 23; 87.01, 02. Romania has also notified DEMKO.

B. Effects

C. Comments by the maintaining country

1. Nordic countries

The Nordic countries have signed, on 8 March 1975, the so-called Copenhagen Agreement, according to which electrical products manufactured outside the Nordic countries can pass the Electrical Inspectorate of a Nordic country without re-inspection provided they have been inspected in another Nordic inspection institute and this is certified appropriately. The Copenhagen Agreement is in effect in Finland, Norway and Sweden since 1 July 1975. The Agreement, initially concluded for five years, has been made permanent on 20 May 1980.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Romania	Testing standards	Electrical products	Denmark Finland Norway Sweden	III.C.2

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In reply to Romania's notification of SEMKO regulations, Sweden has stated that only a limited number of products under CCCN number ex 85.01 are subject to compulsory testing, e.g. safety isolating transformers with extra-low output voltages and intermediate transformers for protective purposes.

2. EEC

The requirement for manufacturers in third countries to have their equipment tested in each of the Nordic countries - despite the existence of an agreement between these countries on the mutual and automatic acceptance of certificates of conformity with regard to national products - is no longer in force since 1 July 1975. Since that date, a test taken in one of the Nordic countries ensures acceptance of conformity in the other countries party to the agreement mentioned.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Czechoslovakia	Testing and certification procedures		EEC (Denmark)	III.C.4

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A. Method

Testing and certification procedures take too much time before the product is approved to be sold at the Danish market. For instance, the homologation of motor-cars and motor-cycles by the transport section of the Ministry of Justice and the work of the State laboratory DEMKO (electrical machinery) requires four to six months.

B. Effects

C. Comments by the maintaining country

On individual applications for approval, the procedures are completed within three to four weeks on average. For a given model, the approval procedures take an average of six weeks as from the moment when the importer places a vehicle at the disposal of the authorities. Provision is made for emergency procedures. At one time, the DEMKO laboratory procedures took longer because of the increase and complex nature of international standards for equipment. Recent staff increases should allow the laboratory to shorten the time required for these procedures.



Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
United States	Limitation on length and power of taxis	Automobiles	EEC (Greece)	III.C.6

A. Method

A measure, applied in Athens since 1959 and throughout Greece since 1967, limits the maximum permissible length for taxis to five metres and the maximum permissible horsepower to twenty Greek horsepower.

B. Effects

This measure affects in particular producers of large cars and has resulted in a considerable drop in sales of American cars to Greece. The United States asks for an indication of how and when this measure might be changed.

C. Comments by the maintaining country

The notification is still under review.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Czechoslovakia	Testing and certification procedures		Japan	III.C.7

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A. Method

Testing and certification procedures are generally considered to be one of the most serious obstacles to exports to Japan. Japanese authorities (with a few exceptions) do not recognize findings of foreign testing laboratories and the whole procedure has to be undertaken in Japan. Difficulties start already in ascertaining the requirements of the Japanese technical, health and security standards. Further difficulties are caused by exaggerated requirements concerning the characteristics of certain products (for instance, the content of nitrosamins in malt, the content of lead in enamelled kitchen utensils etc.).

B. Effects

C. Comments by the maintaining country

Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
EEC	Test requirements	Cosmetics, motor vehicles, liquid gas-fire extinguishers	Japan	III.C.8

A. Method

Very severe test regulations are applicable to many imported products; these include cosmetics, motor vehicles and liquid gas-fire extinguishers.

B. Effects

C. Comments by the maintaining country

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Czechoslovakia	Testing procedures	Electrical appliances	Norway	III.C.10

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A. Method

Imported electrical appliances have to be examined by the Norwegian testing office NEMKO. Testing procedures take on average six months. Moreover, these procedures represent also a considerable financial expense for the importer as well as for the exporter who has to share the burden.

B. Effects

C. Comments by the maintaining country

NEMKO is applying the same testing procedures and the same fees for imported as well as for domestic products. There is thus no discrimination.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Austria Nordic countries	American Society of Mechanical Engineers Seal of Approval	Boilers and pressure vessels	United States	III.C.13

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#### A. Method

Certain States and municipalities adopt the ASME standards for design and construction of boilers and pressure vessels so that the Seal of Approval is often obligatory. Under the ASME code, inspection is required at several stages of manufacturing process and this inspection must be carried out by an American inspector who holds a licence issued by the National Board of Boiler and Pressure Vessels Inspectors. Only after his inspection can the ASME Seal of Approval be obtained. As the ASME refuses the use of its Seal to manufacturers outside North America, entry of foreign pressure equipment to those States and municipalities requiring the ASME Seal is effectively barred. There is a possibility of paying to have a United States licensed inspector come to the manufacturing plant, but this is costly and involves delay.

A request by the Tank and Industrial Plant Association that the Seal be released to competent inspection authorities in the United Kingdom, such as Lloyds or AOTC, was refused by ASME in 1967.

Furthermore, some States do not give any seals of approval to foreign firms.

#### B. Effects

Foreign manufacturers of boilers and pressure vessels are at a disadvantage because of the very high cost of travelling and living expenses of the inspector. Difficulties in getting an American inspector to visit the plants abroad may cause time delays which in turn cause delivery delays.

According to Austria, Austrian exporters have encountered difficulties in exporting steel bottles to the United States; the solution could lie in accepting Austrian approved quality standards.

Austria is not in a position to agree to the withdrawal of the notification, the reason being that certain products of export interest to Austria (steel bottles) are not covered by the ASME procedure. In fact, for the examination of these products a special procedure is foreseen in the United States, which, in the opinion of the Austrian authorities, is impeding Austrian exports. This procedure, as established by

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Austria, Nordic countries	American Society of Mechanical Engineers Seal of Approval	Boilers and pressure vessels	United States	III.C.13

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the Bureau of Explosives, is governing the admittance of steel bottles, and is carried out by "disinterested inspectors". Australia is also not in a position to agree to the withdrawal of the notification as it is advised by its industry that the revised ASME procedures continue to place foreign manufactures at a disadvantage.

C. Comments by the maintaining country

The notifying countries consider ASME inspection and testing to be discriminatory. In May 1973, the United States requested the deletion of this notification on the ground that ASME had revised 113 procedures to ensure that they are applied equally to United States and foreign manufacturers. Foreign manufacturers seeking certification of pressure vessels should write ASME for details. Foreign costs for inspection and certification approximate those charged to United States manufacturers. Thus, the United States requests withdrawal of this notification at this time.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
EEC Nordic countries	Coast guard inspection of safety equipment for use on United States flag vessels	Safety equipment	United States	III.C.14

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A. Method

Safety equipment, such as life-rafts, life-jackets, life-belts, life-boats and marine pyrotechnics, approved for use on United States flag vessels, are subject to inspection during manufacture by the United States Coast Guard.

B. Effects

Since Coast Guard inspectors are not available for this purpose outside the United States and since the Coast Guard is not prepared to delegate inspection to foreign authorities, foreign manufacturers of safety equipment are denied access to this market.

C. Comments by the maintaining country

The United States wishes to bring to the attention of the notifying countries Coast Guard Regulations, 46 CFR Parts 2 and 159, effective on 17 January 1980, which provide for a program of certifications of lifesaving equipment by independent laboratories that have been approved by the Coast Guard. Applications from foreign laboratories will be accepted for approval.

The original phase-in period was expected to take four years, but the Coast Guard has been proceeding on an expedited basis and now anticipates phase-in to be completed in two years.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Japan	Textile inflammability regulations	Textiles	United States	III.C.15

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A. Method

- (1) The results of the tests made in accordance with the provisions of the Law of 1953 on inflammable textiles are unforeseeable, since the method used is not clearly defined.
- (2) The Federal Trade Commission investigates products "presumed to be" at variance with the provisions of the law and prohibits the sale of articles found not to conform to the provisions.
- (3) However, when such investigations are carried out at retailer level, they are liable to cause unexpected losses. It is, therefore, desirable that the tests should be carried out by agents in the exporting country.

B. Effects

C. Comments by the maintaining country

Title XVI of the Code of Federal Regulations, Part 1600, describes the flammability standards of the Consumer Product Safety Commission. Flammability tests are required at the site of production only for children's sleepwear and mattresses. Flammability tests for other products may be done at the discretion of the manufacturer or importer who may wish to provide a guarantee to consumers of their products' inflammability.



IV. K. Requirements Concerning Marking, Labelling and Packaging

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Nordic countries	Origin labelling requirements	See text	Canada	IV.K.4

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A. Method

Canadian regulations call for origin labelling in a manner often unnecessarily stringent and require marking in a difficult or impracticable manner.

Imported goods have to be marked with the country of origin by stamping, etching, engraving or labelling, in a permanent and conspicuous manner. Boxes and packaging material, when destined for the ultimate consumer, are also to be marked.

B. Effects

The regulations are particularly burdensome for the following goods: blankets, candles, cutlery - chrome-plated or of stainless steel - dishes and ornaments of porcelain, tiles, ceramic mosaics, kitchen utensils, certain electrical measurement devices, electronic tubes, toys and games, sports goods, hats, boots and wearing apparel.

C. Comments by the maintaining country

Canada considers that its regulations conform to GATT. Regulations apply to only fifty-nine specified categories and refer only to marking for country of origin. Marking can be carried out under supervision of the customs if goods have not already been marked.

There are fifty-nine categories of goods subject to this requirement. The regulation is limited to an indication of the country of origin. Goods can be marked at the Canadian customs to avoid shipping back. Categories of goods exempt from this requirement are listed in paragraphs 9 and 10 of the 1958 GATT Resolution on Marks of Origin (BISD, 7th Supplement, page 32).

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada	Hallmarking procedure	Gold, silver or platinum articles	EEC (United Kingdom)	IV.K.5

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A. Method

To meet British requirements, jewellery must be sent to the United Kingdom in a semi-finished condition for hallmarking, and then either be returned to Canada for finishing or finished by a branch established for that purpose in the United Kingdom. Hallmarking is not required for sale in the United Kingdom, but consumer preference in that market makes it desirable to have obtained the mark in terms of acceptance of the product.

B. Effects

These procedures are cumbersome and present an unnecessary impediment to Canadian sales.

C. Comments by the maintaining country

The hallmarking of gold and silver articles, which provides the consumer with a guarantee of quality, is one of the oldest forms of consumer protection. The United Kingdom has had a hallmarking system for six centuries and the three official enquiries into the system, in 1856, 1879 and 1959, all recommended that compulsory hallmarking and standards were in the public interest and should be continued. Hallmarking laws are also of value to the manufacturer who is given quality control service, at a very low cost, which protects him from dishonest competition.

The current legislation is the Hallmarking Act, 1973. Under the Act, it is an offence, subject to certain exceptions, for any person in the course of trade or business to apply to an unhallmarked article a description indicating that it is wholly or partly made of gold, silver or platinum, or to supply or offer to supply an unhallmarked article to which such a description is applied. The Act lays down legal standards of fineness of gold, silver and platinum and defines certain terms, e.g. "sterling", "Britannia" and "carats".

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Canada	Hallmarking procedure	Gold, silver or platinum articles	EEC (United Kingdom)	IV.K.5

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Several other European countries also have compulsory hallmarking systems. Certain others have voluntary systems. The International Convention on the Control and Marking of Articles of Precious Metals of which the United Kingdom, Finland, Austria, Sweden and Switzerland are members, offers a satisfactory way of removing barriers to trade. The Convention is the result of many years of careful preparation and contains satisfactory safeguards against the debasement of standards. It is open to accession by any country having adequate hallmarking facilities and provides for the free circulation of articles of precious metal between member States. Thus articles bearing a Convention hallmark applied by an authorized Assay Office in any Convention country can be described in the United Kingdom as made of gold, silver or platinum without undergoing further testing and hallmarking.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventor numberin
Brazil Japan	Marks of origin	300 industrial products	EEC (United Kingdom)	IV.K.6

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A. Method

The Merchandise Mark Act of 1926 and the Joint Memorandum by the Board of Trade and Commissioners of Customs and Excise respecting the requirements as to marks on imported goods required about 300 items of imported industrial products to have marks of origin. These goods are listed in Notice No. 33, which also specifies, for each item the specific ways in which the items are to be marked.

B. Effects

The rigid requirements of the 1926 Act are considered to have had potentially trade-impeding effects upon imports to the extent that they involve costly and technically difficult marking.

C. Comments by the maintaining country

The Trade Description Act (TDA) which became effective in November 1968 replaced the 1926 Act for purposes of marks of origin. Specific marking orders made under the 1926 Act expired in 1971 and no origin marking orders under Section I of the TDA 1968 have been made. However, an amendment to the TDA 1968 was introduced in 1972 to ensure that the consumer was not misled by the use of United Kingdom names on imported goods.

From 29 December 1972 it has been an offence for any person, in the course of a trade or business, to supply or offer to supply goods manufactured or produced outside the United Kingdom which bear a United Kingdom name or mark (or any name or mark likely to be taken for a United Kingdom name or mark) unless the name or mark is accompanied by a conspicuous indication of the country of origin. A United Kingdom name or mark is defined as:

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Brazil Japan	Marks of origin	300 industrial products	EEC (United Kingdom)	IV.K.6

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- (a) the name of any person carrying on a trade or business in the United Kingdom;
  - (b) the name of any part of, or area, place or geographical feature in the United Kingdom;
  - (c) a trade mark of which a person carrying on a trade or business in the United Kingdom is the proprietor or registered user; and
  - (d) a certification trade mark of which a person in the United Kingdom is the proprietor.

The Secretary of State for Trade and Industry may give directions for excluding or relaxing the marking requirements in relation to goods of any description if he is satisfied that to do so would not materially impair the interests of persons in the United Kingdom to whom those goods may be supplied, and a number of orders have been made.

The United Kingdom has been unable to verify that 300 items have been affected. In any event, the current intent is to confine marking to cases in which they are required for consumer protection and to use the powers to require marking only in exceptional circumstances. The statute specifically provides that there shall be no discrimination against imports in the marking requirements.

It must be emphasized that the origin marking requirement operates only in respect of supplies or offers to supply within the United Kingdom. It is not a condition of entry. But, of course, no goods may be imported which bear a marking which falsely describes their origin.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Hungary	Labelling in Finnish and Swedish	Each product	Finland	IV.K.7

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A. Method

Each product must be labelled in Finnish and Swedish.

B. Effects

C. Comments by the maintaining country

Finnish and Swedish being the official languages in Finland this requirement must be considered quite natural.

Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
EEC	Discriminatory rules regarding packaging	See text	Japan	IV.K.8

A. Method

In the case of many packaging regulations, importers have more difficulty than domestic manufacturers in complying.

B. Effects

C. Comments by the maintaining country

Recently more and more countries require to indicate in their own languages some of the characteristics of certain packaged products with a view to protecting their consumers. So long as the requirement of indications apply equally to both domestic and foreign goods, it should not be called a non-tariff measure against foreign goods to demand to bear necessary descriptions in the importing country's language.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Austria Canada EEC Japan Nordic countries	Marks of origin	See text	United States	IV.K.9

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A. Method

Section 304 of the United States Tariff Act of 1930, as amended, requires that, unless exempted by a specific or general exemption, any imported article produced abroad must be marked in a conspicuous place as legibly, indelibly and permanently as the article will permit, in order to indicate to the ultimate purchaser in the United States the English name of the country in which the article was manufactured or produced.

A specific list of exemptions for certain articles (the "J-List") is provided in United States marking regulations, and general exemptions are provided which cover, inter alia, articles incapable of being marked, articles for which the ultimate purchaser will necessarily know their origin by reason of the character of the article or of the circumstances of its importation, crude substances, articles for which marking of containers will indicate the origin, articles for use by the importer and not for re-sale, articles produced more than twenty years prior to importation, and articles that cannot be marked prior to shipment without injury or without incurring expense prohibitive of importation.

Containers of the type which reach ultimate purchasers are required to show the origin of the container as well as the contents. This applies regardless of whether or not the contained articles are in themselves exempt from marking.

According to Canada, apart from the general United States requirements for "country of origin" markings, many articles are subject to additional regulations which can be particularly burdensome. These relate to "special marking requirements" that certain products be marked in a specific manner. In certain cases, for instance, marking must be by means of die-casting, etching, engraving, or by securely attached metal plates. Among the products subject to United States "special marking" requirements are cutlery, surgical and dental equipment, scientific and laboratory instruments, vacuum containers, movements, and various articles which have been the subject of rulings by the Commissioner of Customs. Although not specifically required by law, it is "suggested", as a general rule, that the "country of origin" on metal articles be die sunk, moulded in, or etched; and on paper articles be imprinted. Such special marking requirements raise costs for exporters and, while more permanent, do not add to the knowledge of the ultimate purchaser.



Notifying country	Non-tariff measure	Product	Maintaining country	Inventor numberin
Austria Canada EEC Japan Nordic countries	Marks of origin	See text	United States	IV.K.9

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The United States "marking of origin" requirements have been the subject of numerous Customs rulings. These add complexity to the requirements and can present somewhat of a psychological barrier to exporters. Following is a sample of such rulings:

"Country of origin": In the case of articles which were produced in one country and have undergone further manufacture in another country the "country of origin" for marking purposes depends on whether or not the article has undergone a "substantial transformation". In certain cases, the article may be required to be marked so as show the original country of origin, the country in which further manufacture was done, and the type of further manufacture.

Automobiles made in England and overhauled in Canada at a cost about five times their second-hand value were required to be marked to indicate England as their contry of origin.

Fabrics woven in one country and dyed or printed in another may require a marking such as "Cloth woven in Russia, Bleached, Dyed and Printed in Canada".

"Prohibitive expense": No case has arisen since 1938 in which an article has been exempted from marking requirements specifically on the basis of prohibitive expense. In one case, where proper marking would increase the production cost of an article by 14 per cent, such an exemption was not granted.

"Legibly, indelibly and permanently": In several instances, other than those specifically provided for in law, the requirement that articles be marked legibly, indelibly, and permanently has been interpreted so as to require special types of marking, such as use of contrasting colours, letters of a specific size, use of certain types of tags or labels, raised lettering, or processes such as moulding, etching, glazing, imprinting, or die-stamping.

"Containers": Containers of a type usually filled after importation when not imported by the ultimate purchaser (e.g., certain baskets) are required to be marked in such a way as to show that the indicated origin is that of the container and not of the contents.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Austria Canada EEC Japan Nordic countries	Marks of origin	See text	United States	IV.K.9

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"Ultimate purchaser": The requirement that marking be for the information of the ultimate purchaser led to a decision that vinyl-clad chain link fencing be marked at intervals of approximately 10 feet of length of rolled fencing. (It was later established that consumers would normally purchase at least a full roll of standard 50 to 100 feet length, and that a country of origin marking for each imported roll would be sufficient). However, certain other articles which are sold to ultimate purchasers by the foot or yard have to be marked at specified intervals.

"Articles usually combined": Marking of articles which are usually combined with other articles after importation but before delivery to an ultimate purchaser must include both "country of origin" and additional words to clearly show the origin of the imported component. For example, labels must be marked with additional descriptive words such as "Label made in Canada".

"English name": In certain cases, the phrase "Made in Canada" rather than simply the word "Canada" is required to indicate country of origin.

The United States imposes heavy penalties if marking requirements are not met. Articles not marked as required are subject to additional duties of 10 per cent of final appraised value of the goods unless exported, destroyed, or properly marked under Customs supervision. These additional duties accrue on the total value of goods, including containers, even in cases where only containers are required to be marked. Marking after importation, under Customs supervision, almost invariably entail significant additional expense, delay, and inconvenience. Shipments which have been released to importers but not liquidated by Customs can be recalled if found to be improperly marked. Failure to return the articles for marking or to have them marked under Customs supervision results in penalties equal to the value of the articles not so marked plus any estimated duty thereon as determined at the time of entry.

In addition to United States "marking of origin" requirements in the Tariff Act of 1930, "marking of origin" is sometimes required by professional standards organizations such as the American Society for Testing Materials or the Underwriters Laboratory.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Austria Canada EEC Japan Nordic countries	Marks of origin	See text	United States	IV.K.9

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Several Acts administered by the United States Federal Trade Commission also contain "marking of origin" requirements. The Fur Products Labelling Act requires labelling to show the country of origin of any imported furs in a product and also the name of the manufacturers or the importer. The Wool Products Labelling Act requires labelling to show the name of the manufacturer or importer. The Textile Fiber Products Identification Act requires marking to indicate both the name of the manufacturer or importer and also the country of manufacture or processing.

According to Austria, the EEC, Japan and the Nordic countries, where the articles themselves are specially exempted, the marking is required to be shown on containers. Failure to comply involves payment of a penalty amounting to 10 per cent of normal duty. There are in addition special regulations concerning marking of cutlery, scientific instruments and thermos bottles. Moreover, the professional standards organizations are now beginning to set marking requirements as well. For example, American Society for Testing Materials (ASTM) has proposed that certain types of construction steel should carry a stamp in relief at specified intervals showing the country of origin and name of the supplier firm: the EEC succeeded in obtaining a modification to eliminate need to show the country of origin, but considerable cost is still involved in modifying machinery and equipment to produce the required relief stamp for exports to the United States market. Such regulation suggests that the objective is to eliminate competition rather than unfair competition.

According to the EEC, the difficulty stems from the lack of effective governmental control on marking requirements in the steel industry. The ASTM is a producers' organization. Generally, when standards are controlled by public authorities or consumers, the concern is on quality and prices; when control is in producers' hands the emphasis is not in favour of foreign competition.

#### B. Effects

United States requirements and penalties are excessive and burdensome and constitute a significant barrier to imports. This problem is all the more serious as GATT has adopted a resolution on 21 November 1958 looking toward simplification or standardization of marking requirements. This resolution obviously needs strengthening.

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Notifying country	Non-tariff measure	Product	Maintaining country	Inventory numbering
Austria Canada EEC Japan Nordic countries	Marks of origin	See text	United States	IV.K.9

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C. Comments by the maintaining country

The United States considers that the information contained in the notification accurately describes United States requirements for "country of origin" markings on imported goods.