

ada and the United States, who are both big customers, to make an agreement of their own? How would that affect the organization?

Mr. DEUTSCH: Any concessions they made to one another would have to be made to all members. That is the purport of this most favoured nation clause.

In addition to these sections on quantitative restrictions, subsidies and state trading, there was a lengthy section on general commercial provisions, which has to do largely with customs administration. Honourable senators will know that customs practices vary widely; some of them constitute a whole system of protection and exclusion, quite apart from any tariff.

Hon. Mr. HAIG: The word is "blockade".

Mr. DEUTSCH: Blockade. It was obvious that unless definite provisions were laid down regarding customs practices, it was not enough simply to bind tariffs or deal with quantitative restrictions. We had to deal with customs practices. The charter contains detailed provisions on practices which should be observed by the member countries in the administration of their customs. In general the purpose of these provisions is to remove the artificial barriers which are imposed by various methods of administering customs.

The CHAIRMAN: For instance, the arbitrary delays at border crossing points?

Mr. DEUTSCH: That is correct: arbitrary delays and arbitrary regulations, the requirement of excessive documentation, exorbitant fees being charged and that sort of thing. They are dealt with here and ruled out. Finally, there is provided a precise method of valuing goods for duty purposes. The method of valuation of course is very important, because in some cases the matter of valuation constitutes a major barrier itself. The charter prohibits the abuses that have been employed in connection with valuations. We hope that these provisions will result in a general improvement in customs administration and will facilitate the movement of goods.

The CHAIRMAN: Pretty much would depend upon the spirit in which the provisions are carried out?

Mr. DEUTSCH: To some extent, but the most important thing was to lay down precise provisions which member countries must observe.

Hon. Mr. TURGEON: Did any question arise concerning the difference between the standards of living in export and import countries?

Mr. DEUTSCH: No. There was discussion of that nature, Mr. Senator. This charter does not pretend to deal with that problem.

Hon. Mr. DAVIES: With regard to this matter of customs, was there any discussion as to how far customs officials can go at international borders in the matter of personal search of people who are crossing the border? I do not refer to their searches of automobiles. But how far can they go legally, in the matter of personal search of individuals? Can they order men or women to completely undress?

Mr. DEUTSCH: Well, senator, this charter specifically does not deal with persons. This charter deals with goods and services only.

Hon. Mr. DAVIES: It does not touch that point?

Mr. DEUTSCH: It does not touch questions of the movement of persons. So I am afraid I cannot answer your question. The charter does not deal with it.

Hon. Mr. PATERSON: May I ask the witness what machinery is contemplated to take care of the innumerable complaints that will come in during the first year? Naturally everything will not be perfected by the time this agreement goes into effect.

Mr. DEUTSCH: I might say that the charter also provides for the establishment of the machinery by which it is to be enforced and carried out. Quite rightly, it will require some time to develop this machinery.