valuation would disappear with tariffs. Correspondingly, the greater the tariff reduction the less important are the consequences of classification and valuation.

As indicated earlier, even though there is no uniform customs nomenclature among the industrial countries, this is not, by itself, an obstacle to trade. It would be desirable, however, if the United States and Canada were to adopt the BTN and to join the Customs Co-operation Council.[96] Also, procedures in the United States for making classification decisions and for handling disputes could be expedited.

Valuation is not a serious problem among those countries subscribing to the Brussels Definition. As in the case of tariff classification, there are always valuation problems relating to individual shipments, particularly in transactions between related parties. Any general problems can be worked out within the Customs Co-operation Council. U.S. and Canadian valuation practices, however, are out of line with those of other industrial countries. Their complexity, uncertainty, and in some instances opportunity for arbitrary valuation undoubtedly deter trade. Adoption of the Brussels Definition is a possible solution to such valuation problems. The U.S. Tariff Commission is now investigating the methods of valuation used by the United States and other countries, and the feasibility and desirability of U.S. adoption of the Brussels Definition.[97] A Treasury Department study has recommended elimination of the "final list,"[98] and ASP is under consideration in the Kennedy Round.

Adoption of the Brussels Definition by the United States and Canada would result in a higher c.i.f. system of valuation, so that rates bound in tariff negotiations would have to be lowered in order to compensate for the higher valuations. But

[96] Because of the introduction of a new tariff nomenclature in 1963, it may be some years before the United States is ready to make the considerable effort necessary to adopt the BTN. Separate negotiations with twenty-nine countries to compensate them for any impairment of previous tariff concessions caused by the 1963 nomenclature revision are still not completed.

[97] A preliminary report has already been published. See U.S. Tariff Commission, *Customs Valuation*, Preliminary Report to the Committee on Finance of the United States Senate, TC Publication 180 (Washington, D.C.: July, 1966).

[98] See U.S. Treasury, *An Evaluation*, p. VI–24.