

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

RESTRICTED
LIMITED B

GATT/CP.3/SR.30
30 June 1949

ORIGINAL: ENGLISH

CONTRACTING PARTIES
Third Session.

SUMMARY RECORD OF THE THIRTIETH MEETING

Held at Hotel Verdun, Annecy,
on Thursday 30 June 1949 at 10 a.m.

Chairman: Dr. Z. AUGENTHALER (Czechoslovakia)

Subjects discussed:

Report of Working Party 7 on Brazilian Internal Taxes
(GATT/CP.3/42, GATT/CP.3/42 Corr.1)

The chair was taken provisionally by the Executive Secretary who announced that before taking up the substantive business on the agenda a determination should be reached on a matter of procedure. In the past, in the absence of the Chairman and of the Vice-Chairman of the Contracting Parties, the chair had been taken by the Chairman of the Working Party presenting the report. In this case the Chairman had asked to be relieved and he asked for nominations.

Mr. AUGENTHALER (Czechoslovakia) proposed by Mr. SHACKLE (U.K.), and seconded by Mr. RODRIGUEZ (Brazil) and Mr. LECUYER (France), was elected Chairman.

Miss FISHER (U.K.), Chairman of the Working Party, on request of the Chairman summarized the report and moved its approval by the Contracting Parties.

Mr. LECUYER (France) illustrated the difficulties and

complexities of the matter which he said combined with the difficulties of interpretation of the General Agreement, particularly in respect of its provisional application, to make an examination of the question very arduous. There was general agreement that indirect protection should be limited and one form of indirect protection was that of discriminatory internal taxation. It appeared to the French Government that the Brazilian legislation was of a discriminatory character and, though he did not wish to say that it was the intention of the Brazilian Government to increase the protection on the items concerned, the fact remained that higher charges fell upon imported goods. This had been brought to the attention of his Government by French exporters. An important question of principle was involved and for this reason the matter had been brought up by the French Government. He felt that legislation was necessary if Brazil was to comply with the terms of the General Agreement. Note was taken of the intention of the Brazilian Government to set the situation aright and, in view of this intention, he accepted the report.

On a question by Mr. MULLER (Chile) the Chairman said that the matter before the meeting was simply the approval of the recommendation contained in paragraph 19 of the report.

Mr. RODRIGUEZ (Brazil), after expressing his thanks to the Chairman of the Working Party, wished to insist on the fact that, despite the statements in the press, there had been no violation of the Agreement on the part of his Government. Even before the question had been brought up by the Government of France, steps had been taken by his Government to set the situation aright. Had discriminatory intention been held, the weapon of tariff increases could easily have

been resorted to, as the majority of the items in question had not been bound in the Geneva negotiations. In those cases where the Brazilian laws had brought about a discriminatory situation, his delegation had pointed out that they would recommend appropriate legislation to their Government. The details of the question were not being investigated at the moment so he would not go into a discussion as to whether one could speak of discrimination when no party had suffered damage: in his opinion, when a contracting party could not prove that it was materially affected, no grounds for complaint existed. With regard to the recommendation, he suggested the amendment of paragraph 19 to begin with the words "In view of the statements contained in paragraphs 17 and 18"

Mr. HERRERA ARANGO (Cuba) moved that the recommendation of paragraph 19 of the report and the report itself be adopted by the Contracting Parties.

Miss FISHER (United Kingdom) agreed that paragraphs 17 to 19 went together and that it would be wrong to separate them but did not think the report itself needed amendment. She suggested however that the Contracting Parties either accept the proposal of Cuba or find a formulation which would give satisfaction to the representative of Brazil.

The amendment to paragraph 19 proposed by Brazil was adopted and the Chairman suggested that it be put on record that the Contracting Parties, having considered the report of Working Party 7 on Brazilian internal taxes and having taken note of its contents, accepted the recommendation of paragraph 19 of the report. The report as a whole was adopted.

Mr. RODRIGUEZ (Brazil) said he had since been informed that press releases were drawn up only after the meetings of the Contracting Parties and with the approval of the Chairman. He had no intention of making accusations but said he had received press cuttings from many countries which showed that the press releases had not been followed in its contents. He suggested therefore that if no agreement were reached in drawing up a press release together with the Chairman of the Working Party, the delegate of France and himself, he be authorized to make a statement to the press.

Mr. LECUYER (France) wished to make it clear that information had not been given out by his delegation.

The meeting rose at 11.25 a.m.