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ORIGINAL: ENGLISH

GENERAL AGREEMENT ON TARIFFS AND TRADE

Contracting Parties

Second Session

BRAZILIAN REQUEST FOR WITHDRAWAL OF CONCESSIONS --
SCHEDULE III

The Delegations of Brazil, the United Kingdom and the United States propose the adoption of the following Decision of the CONTRACTING PARTIES under Article XXV as a means of meeting the problem raised by Brazil in document GATT/CP.2/W.9 dated August 24, 1948:

The CONTRACTING PARTIES, acting pursuant to paragraph 5(a) of Article XXV of the General Agreement on Tariffs and Trade,

Taking note of the provisions of Law No. 313 enacted by the Government of Brazil on July 30, 1948, which provides for the re-establishment of the former rates of customs duty on certain products in excess of the maximum rates provided for in Schedule III of the Agreement,

Considering that in respect of a substantial number of other products the rates of customs duty presently applied to imports into Brazil are lower than the maximum rates provided for in Schedule III of the Agreement,

Hereby decide as follows:

1. Subject to paragraphs 2 and 3 of this Decision, the provisions of Article II of the General Agreement on Tariffs and Trade shall be waived to the extent necessary to permit the application by the Government of Brazil to almanacs and calendars, powdered milk and pure penicillin of rates of ordinary customs duty not in excess of the following:

<u>Brazilian Tariff</u> <u>Item Number</u>	<u>Description of Products</u>	<u>Rate of Duty</u> <u>(Cruzeiros)</u>
98/3	Milk in powder, tablets or other state, with or without sugarL.K.	2.60
545/3 Ex	Almanacs and calendars: Loose, brochures, boarded or bound in paper-covered binding with cloth or leather backsL.K.	0.84
1530 Ex	Penicillin, pure	25% ad valorem

2. Negotiations shall begin immediately, at Rio de Janeiro, between the Governments of Brazil, the United Kingdom and the United States with a view to reaching definitive agreement as to the compensation to be given by Brazil for the partial withdrawal of concessions on the products listed above. Such compensation may take the form of the binding or reduction of existing duties on any product or products imported into Brazil, whether or not such products are now described in Schedule III of the General Agreement on Tariffs and Trade.

3. During the negotiations provided for in paragraph 2 the Government of Brazil shall abstain from increasing the rate of duty presently applicable to any product described in Schedule III except as provided for in paragraph 1, above.

4. The agreement reached as a result of the negotiations provided for in paragraph 2 shall be communicated to the other contracting parties through the Chairman and shall become an integral part of the General Agreement on Tariffs and Trade. If no agreement is reached by December 15, 1948, this Decision shall on that day cease to have force and effect.