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SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

VERBATIM REPORT.

TWENTY-FIRST MEETING IN EXECUTIVE SESSION HELD ON
FRIDAY, 8th AUGUST, 1947 AT 10.30 A.M.
IN THE PALAIS DES NATIONS, GENEVA.

M. Max SUTENS (Chairman) (Belgium)

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CHAIRMAN (Interpretation): Gentlemen, the meeting is called to order. We are in session to-day, gentlemen, on account of a communication concerning the Brazilian Customs Tariffs.

H.E. A. de V.F. BRAGA (Brazil) (Interpretation): Mr. Chairman, we are of the opinion that the statement which was prepared by the Brazilian delegation and distributed to members of this Commission sufficiently clarifies the question. This statement clearly sets out the circumstances before which the Administration of Brazil is placed and the consequences which follow from these circumstances and which it is the duty of the Brazilian Administration to correct. This situation preoccupied the Brazilian Administration long before the Conference was called, and the schedule which is annexed to our statement clearly and precisely sets out what modifications the readjustment made necessary.

I am accompanied, Mr. Chairman, by two experts who have a detailed knowledge of the question under discussion and who are ready to give all information that the delegates might want.

CHAIRMAN (Interpretation): Gentlemen, you have all heard the statement made by the head of the Brazilian delegation and you are also familiar with Document T/151. Does any delegate wish to take the floor and comment on this question?

Gentlemen, I repeat the question.

Mr. O. PARANAGUA (Brazil): Mr. Chairman, I think the silence of the delegates can be interpreted as that our statement is self-explanatory but in any case if there is any objection about any paragraph of our statement I am ready to give the information needed.

CHAIRMAN (Interpretation): Gentlemen, does nobody ask for the floor?

Mr. S.L. HOLMES (United Kingdom): Mr. Chairman, I think there may be one or two points on which it might be useful if we had some further information. As I understand it there may be a difference between the rates - or the application of this principle in connection with the rates of items which are negotiated and items which are not negotiated. Is it to be understood that in every case where items do not come within the purview of the negotiations, we are to assume that this increase of 40% would be applied and that on the other hand there will be no further increase, than 40%? There are one or two other points which at a later stage in the discussion I might wish to raise or to ask the Brazilian representative to be good enough to give me further information on, but they do not, I think, directly arise from the paper in question.

CHAIRMAN (Interpretation): The Delegate of Brazil.

MR. O. PARANAGUA (Brazil): Mr. Chairman, on this point the explanation is that what we are negotiating is readjusted according to action taken from London. About other items, extra items, we are not negotiating - we have a free hand to re-adjust according to our wishes because we are not bound in this case.

CHAIRMAN: Mr. Holmes.

MR. S.L. HOLMES (United Kingdom): Mr. Chairman, our difficulty is a difficulty, therefore, of uncertainty. In the case of items which have not been scheduled for negotiation, we do not really quite know where we stand. As I understand the Brazilian representative, they would claim to retain a completely free hand on such items, not necessarily limiting the increase to 40% at all. If that is true, then we might feel it necessary to ask that there should be some negotiation about a larger range of items than we have attempted to cover so far in order that we should have at least some security.

CHAIRMAN (Interpretation): The Delegate of Brazil.

MR. O. PARANAGUA (Brazil): May I ask the British Delegate if they are committed not to increase the British tariffs as regards the items not bound by the Convention?

MR. S.L. HOLMES (United Kingdom): No, but for different reasons.

MR. O. PARANAGUA (Brazil): Well, our case is the same.

MR. S.L. HOLMES (United Kingdom): Of course, Mr. Chairman, that answer is not necessarily in the least unsatisfactory to me. It would be up to the Brazilian representative - it has been all along, of course, - to ask us for explanation on anything they like. The assumption is that they have extended the range of their requests to all the items in which they feel seriously interested, but, of course, this proposal or this declaration by the Brazilian Delegation is a rather wholesale one coming, perhaps, rather late in the negotiations. We might, therefore, have to think again about the range of our negotiations with Brazil.

CHAIRMAN (Interpretation): Gentlemen, might I put a question to the Brazilian Delegation? We see in document E/PC/T/151 the sentence beginning "Owing to the depreciation of the Brazilian currency.....". May I ask the Brazilian Delegation when this depreciation took place?

MR. E.L. RODRIGUES (Brazil): Mr. Chairman, our depreciation was taken in regard to 1934, because this was really the year in which we put into force our tariff which has been used for the negotiations here. On the other hand, the depreciation of cruzeiros for the most part has been since 1935. The rates of our customs duties were calculated on the 12.69 exchange rate of 1934. We have no other way than to take this base. At the same time, we could take into consideration the levels of prices between 1934 and 1946. The index numbers are more or less 250, which means 150 increase in prices. We have precedents of this kind in our negotiations here, but I need not mention the countries in which these were established. Everybody knows we took into consideration both things, exchange rates and depreciation of currency, and the levels of prices.

I think I have answered your question.

CHAIRMAN (Interpretation): I would like to point out to the Delegate of Brazil that my question was a purely informative one. The date of the devaluation is not set out in the statement, and therefore I required complementary information, without wanting to criticize the measures taken in any manner whatsoever. Therefore, I repeat my question: Was the rate of 18.67 adopted in 1937?

Mr. O. PARANAGUA (Brazil):(Interpretation): The starting point was in 1934.

CHAIRMAN (Interpretation): But when did the depreciation take place?

Mr. O. PARANAGUA (Brazil): It was progressive. Now it is stabilized.

CHAIRMAN: The Delegate of the Netherlands.

Dr. A.B. SPEEKENBRINK (Netherlands): Mr. Chairman, when we agreed that one could transform a specific duty into ad valorem duty one had to take into consideration the incidence of protection, and then you could work with the raised prices at the present time, compared with the old days when you had specific duty, and in that way transform specific duty into ad valorem duty.

I have noticed from the statement of the Brazilian Delegate that they have taken into consideration two price levels - 1934 and..(here the Brazilian Delegate said "No"). If I am mistaken, I might be corrected; but my main worry here is that in that case the adaptation of specific duties to depreciation of the currency and a rise in prices puts a country which has specific duties in a better position than a country that has

transformed specific duties into ad valorem duties. I might be mistaken, but I would welcome a reassurance in that respect.

CHAIRMAN: The Delegate of Brazil.

Mr. O. PARANAGUA (Brazil): I am very glad that Mr. Speekenbrink raised this question, because he was Chairman of the Procedural Committee in London, and I spoke on this subject when he was presiding.

We have two quite different questions. One is the readjustment because of currency depreciation, and the other is an eventual readjustment because of a change in the price levels, and there are other elements in this question.

In London, I explained about the transformation or conversion of specific duty into ad valorem duty, and I cited the example of a motor-car. Supposing a motor-car which has a value of 1,000 dollars and a weight of 1,000 kilos is taxed 200 dollars on 1,000 kilos, and 20% on 1,000 dollars, on the same car. Then the ad valorem tariff would be 200 dollars and the specific duty would be also 200 dollars - they would be the same. If the price level changes - for example, if the same car with 1,000 kilos has a value of 1,500 dollars, the duty would be 300 dollars, while the specific duty would remain at 200 dollars. Then the adjustment on the basis of price level would be an increase of the specific duty to 300 dollars 4,000 kilos. That is one question.

Then you have the question of currency depreciation. If a motor-car is taxed 200 dollars for 1,000 kilos, and you have a depreciation of 50%, what would be the result? That instead of 200 dollars the duty would be reduced to 100 dollars. That was the point I discussed at the Procedural Committee in London, and I think Mr. Speekenbrink would recall my point. I suppose it is quite clear what I said about the conversion of specific duties into ad valorem. We did the readjustment on the basis of currency depreciation and we could have, but we did not, readjust by reasons of price level.

Mr. PARANAGUA (Brazil) (Checking the Interpreter): The readjustment only took place on the basis of the depreciation of the currency, and not, as we could have done, on the basis of the increases in prices.

Mr. SPEEKENBRINK (Netherlands): That is the point I wanted to know.

CHAIRMAN: The Delegate of Belgium.

Mr. FORTHOMME (Belgium) (Interpretation): Mr. Chairman, we have thought out the question raised by the Brazilian Delegation, and it seems to us that the crux of the question is whether or not an increase of tariff runs counter to the Memorandum on Procedure.

We do not think that this is the case, since the Memorandum provides for adjustments with a view to compensating a depreciation of the rate of foreign exchange. This has been admitted in a certain number of cases where the depreciation has been a consequence of the war. In this particular case, the depreciation has not been brought about by the war, since it happened before the war broke out.

One may argue that if between 1939 and 1946 Brazil has not felt the need of readjusting her tariff, taking into account the depreciation of foreign exchange, it might look odd that Brazil feels this necessity only now. The explanation resides, of course, in a question of fact, in particular, in the fact that the war has for several years diminished the importance of customs tariffs. Refusal to Brazil of the right of effective readjustment, because the basic fact has happened several years ago, while the effects of this fact have made themselves felt only later, would be an arbitrary application of the principle - if this can be called the principle - that all that exists is

good, but that all that is new is reprehensible.

We have already spoken against this construction, which crystallises unfairness. It would favour those which took hasty measures of protection or restriction, without trying to ascertain the necessity or the urgency of such steps; and it penalises those countries which show caution and weight before taking measures the utility and necessity of which have not been clearly demonstrated.

In the present state of affairs, the Brazil proposals seem to us reasonable; it being understood that in such cases where the duties would reach a level which will be deemed too high, the possibility would be left open to negotiate reductions.

CHAIRMAN: The Delegate for Australia.

Mr. E. McCARTHY (Australia): Mr. Chairman, it would seem that in making these adjustments the Brazilian Government has used 1934 as its base. It seems to us that adjustments were made and our understanding is that adjustments have already been made on the basis of the depreciation in the currency prior to this particular increase. We would like that confirmed and, if it is so, we would ask whether, where adjustments have already been made, perhaps two years ago - our understanding is that adjustments were made in 1945 - and where the increase made was more than 40 per cent on the 1934 rate, ~~whether~~ they will be taken into consideration in arriving at new rates now.

In other words, where an adjustment for currency reasons has been made prior to this adjustment, whether any further adjustment will be made on this particular item or those items. If the 40 per cent is added to the present range of tariffs, we would like to ask whether it would have the effect of 40 per cent on some items being added to the 1934 rate, and, in effect, a good bit more than 40 per cent being added on other items for the same reasons, namely, for currency depreciation reasons.

I hope that is clear. If it is not, I will give an example from our examination of the facts.

CHAIRMAN: The Delegate of Brazil.

Mr. O. PARANAGUA (Brazil): I have already considered this case, because the Australian Delegation, in private conversations, have pointed out that, through the specialization of certain tariff rates on wool, we had already readjusted ... it is not exactly a readjustment, but we had imposed a new duty. But that was in 1945, and 1945 is not covered by Annexure 10. Annexure 10 covers tariff modifications between November 1946 and April 1947.

That is not the case. But, to be consistent with our rule of 40 per cent as a readjustment of our tariff, we are considering the case of wool and if there is another case of the same nature we will also consider the difference of the tariff.

CHAIRMAN: The Delegate of France.

M. LECOYER (France) (Interpretation): Mr. Chairman, the French Delegation is quite ready to associate itself with what was propounded by the Belgian Delegate a few minutes ago. We also believe that this matter should not be transferred into the domain of principles. We might face a long discussion on the above-mentioned principles, as well as on the interpretation of Annexure 10 of the London Preparatory Committee Conference.

We rather believe that this question belongs to the domain of facts. We are faced here with moderate tariffs which, through the trend of circumstances, have lost most of their protective incidence. It is quite true that the Brazilian Government did not re-establish this protective incidence in time. This is, of course, also a fact, but we could not accuse the Brazilian Government of not having taken this measure, which was probably quite beneficial to international trade.

Therefore the French Delegation is not of the opinion that the raising of customs duties which is envisaged by the Brazilian Delegation should form an obstacle for the tariff negotiations, but the French Delegation is ready to continue the negotiations on the basis of the modifications, reserving its right, however, in view of the modifications of tariffs proposed by the Brazilian Delegation, to modify or to extend the range of its own requests.

Mr. J.P.D. JOHNSEN (New Zealand): There is one point on which I would like a clarification, Mr. Chairman. Is it to be understood that offers which have already been made and which are presumably taking into consideration the existing position are not to be subject to the 40% increase? I refer to the offer, not to the basic rates.

CHAIRMAN (Interpretation): Mr. Paranagua.

Mr. O. PARANAGUA (Brazil): Mr. Chairman, all the lists exchanged by the Brazilian delegation have a footnote relating to the readjustment. That means that this reserve existed since the beginning of our negotiations. I think there will be no surprise about the readjustment here, and some countries have already had word about that in Rio de Janeiro when they sent special envoys to deal with the commercial questions.

Dr. A.B. SPEEKENBRINK (Netherlands): Mr. Chairman, the French delegate spoke about the possible re-examination of this list of requests and that brings me to the point that Mr. Paranagua just made in answer to the question made by the British delegate. It is that he considered him as entirely free with regard to all those items of tariff that were not bound here. It is, of course, the case, and I have been wondering whether we should not have here a declaration from several governments taking part in these negotiation that when you do not bind the tariff, you are free to increase it. But in that you have always to keep in your mind that the object of the Charter and of the General Agreement on Trade and Tariffs is to liberalise trade and to promote an expansion of trade and that when we exercise our freedom we have to do that keeping in mind the principles and various stipulations of the Charter.

I am not quite certain in my mind at this moment how far one can complain about the rise of duties that have not been bound, but I have always considered that if by these measures there should be an important change in the economic relation between two countries, that we could take this matter up with the Organisation as well as any other question, and I think it might be important that this point should also be settled here.

Mr. T.K. REES (United Kingdom): Mr. Chairman, it is not in answer to what Dr. Speekenbrink said that I want to make a remark, but I would like to ask three questions which I think are quite simply stated. First of all I would like to know whether the Brazilian delegation has any objection at all to putting in new lists of requests on items on which so far there has been no request made. That is the first question.

Secondly, if currency depreciation has been the main factor or the only factor determining this change. Will currency depreciation be the factor which will determine changes in items that are not negotiated? It is said that the Brazilians wish to have a free hand on the items not negotiated. Does that mean we might expect that when the other items are under consideration for revision of the tariff rates, it will be currency depreciation factors and those alone which will determine what will happen?

Thirdly, I should like to ask a question about certain additional duties which the Brazilian Government impose on imported goods. Is it proposed, too, that there should be an absolutely free hand on those also?—the 10% additional duty, the pension fund tax, and certain other duties which are imposed? Is it the case that the Brazilians would maintain a free hand on those or can they be subject to negotiations when they are discussing the items on which they will be imposed?

CHAIRMAN: Mr. Paranagua.

MR. O. PARANAGUA (Brazil): Mr. Chairman, we are dealing with the precise case of the re-adjustment of the Brazilian tariff. Mr. Speckenbrink's point is far beyond our discussion. It is a question of whether a country negotiating here is binding the whole tariff or not, because if we consider that the binding of items of the tariff is a concession, how can we say that the whole tariff is bound by the Convention or by the Charter? Up to now, I have not seen any provision in the Charter binding the whole tariff of all the negotiating countries in this Conference. My point is that we have no obligation to bind the whole tariff and no other countries do that. If other countries, or the majority of the countries in this Committee, want to bind the whole tariffs, that is another question to be discussed, but for the moment nobody is binding the whole tariffs, merely concessions and certain items already in the tariff.

Secondly, on the question of currency depreciation, we do not know what currency depreciation will happen in the world. At present, we see so much disturbance that no country can take any commitment beyond the commitments taken here in this Conference by the Convention. Then there is a point of additional duties. I would like to ask the British Delegate if there is any commitment about excise duties. Are you bound about excise duties, that means fiscal dues which have no protective intention? Certainly not, and that is the nature of our additional duties and we cannot discriminate between national products and foreign products and those fiscal dues are applied alike to both. There is no discrimination, and this rule of discrimination is the guarantee that they are not to be increased unless they are increased on both sides.

CHAIRMAN: Monsieur Forthomme.

M. P. FORTHOMME (Belgium) (Interpretation): Mr. Chairman, I would like to support the opinions voiced by the representative of the Netherlands and the suggestions made by him.

After the remarks made by the Brazilian Delegate, I see that he did not have in mind, nor had we, a general binding of tariffs. Therefore, our freedom in respect of items which were not negotiated remains intact. However, considering the aims of our concession and considering the general aims and purposes of the Charter, could we not re-affirm here that we shall use our freedom moderately and take into account the general interests abroad and the interests of international trade.

CHAIRMAN (Interpretation): Gentlemen, I wonder whether the question raised by the Delegate of the Netherlands and supported by the Delegate of Belgium calls for a special formula.

It goes without saying that, first of all, all those tariffs which are not bound can, of course, be altered. On the other hand, it is equally evident that if countries accept the Charter, they accept at the same time the objectives contained therein, and in particular the objective of promoting world trade. This is why a country signatory to the Charter who would exercise the freedom she has to increase not bound tariffs with a view to restricting world trade would certainly run directly counter to the objectives of the Charter itself, and in such case, would be subject to the sanctions provided for in Article 35 which we are going to consider this afternoon. I shall not quote the text of the Article now, since it is liable to be altered but the spirit of this Article is that if a country takes steps against, or outside of, the objectives of the Charter, it may be called upon to explain such measures to the Organization and then the procedure of conciliation is started.

Mr. Winthrop BROWN (United States): Mr. Chairman, the view of the United States Delegation on the proposal made by the Brazilian Delegation is that we recognize that the devaluation or depreciation in the currency of a country may be an appropriate basis for effecting a readjustment in its specific tariff. Although we have some qualms about going back as far as 1934 for the selection of the date from which such depreciation took place, we are nevertheless impressed

by the arguments which the Brazilian Delegation has advanced in support of that choice, and the remarks which have been made by the Belgian Delegate on the same point. Therefore, we are quite prepared to accept the readjustment which the Brazilian Delegation proposes, as a matter of principle.

The effect that that readjustment has on the particular negotiation on tariffs between the United States and Brazil is, of course, a matter which we will have to take up in detail with the Brazilian negotiators, because, after all, the question is, do we come to a mutually satisfactory agreement on particular rates and particular items and an agreement which is satisfactory in form as well as in substance? Therefore, we will have to look very carefully into the effect of this readjustment on our negotiation with Brazil. We are very hopeful and quite confident that we can work out something which will be mutually satisfactory.

CHAIRMAN: The Delegate of Canada.

Mr. G.B. URQUHART (Canada): Mr. Chairman, Canada appreciates the fact that Brazil has a relatively low tariff, and has some sympathy with her present position due to the depreciation of currencies; and while the schedule of offers contains a note to the effect that there would be an adjustment of the tariff, this is the first intimation of the specific proposal of a 40% advance, and if it is adopted, we would have to reserve our right to review the schedule of tariff negotiations.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. T.K. REES (United Kingdom): Mr. Chairman, it may be that I did not quite understand the answer given a few minutes

ago by the Brazilian Delegate, but I am not quite sure whether he did, in fact, answer my specific question, which was: Would there be any objection, in the re-negotiation which is now necessary, to additional, new requests? I would like his specific answer to that question. Perhaps, in answering several questions, I missed that point.

I understand that in answer to my second question, considerations other than purely currency ones would be borne in mind in regard to the raising of duties not subject to negotiation here.

Just one further point. With regard to the additional duties that are levied, in the case of two of them - or should I say that I understand in the case of two of them - the general additional duty of 10 per cent. is levied on goods manufactured as well as those that are imported. It is not simply and solely a tax on goods which are imported, but on all goods; and that it is not, in fact, levied in a double fashion, that is, on importation and on goods themselves.

CHAIRMAN: The Delegate of Brazil.

Mr. PARANAGUA (Brazil): Mr. Chairman, I am answering the first two questions; my colleague will answer about the additional tax.

About the increase of the list. The question, as a matter of fact, is a question of give and take. I cannot make any forecast about what the British Delegation might ask, and also I cannot say what we would ask in return. It is a question of negotiation. We cannot put that into a frame and commit ourselves to the inference that we might mean something more. It is a question of negotiation.

About the second point. It might happen that we decide to reduce our tariff in the items which are not bound. We do not know what would be the shape of things in the future. For this reason I hope that we would have free hands. May be it would be better to express myself, Sir, in saying we would have a relatively free hand, because we have no intention of disturbing international trade, and I can understand the spirit of the Charter and the way

in which the spirit has been spoken of by Mr. Forthume, and that is the real spirit of the Charter. We would not increase our tariff without strong reasons.

CHAIRMAN: Mr. Rodrigues.

Mr. RODRIGUES (Brazil): Mr. Chairman, I think, in order to answer properly the question raised by the Delegate of the United Kingdom, I should start by saying that Brazil, in spite of making great sacrifices, is giving up all measures taken before which might harm the proposed Charter. I will give an example. We have, Sir, in some degree a discriminatory consumption tax. My Government have decided that we will not collect any more the discriminatory consumption tax.

In regard to the single additional 10 per cent. imposed upon the duties - not upon value - this is a matter which is not covered by the Charter, I believe; but it was put in force since 1940 in order to attain to some extent the fiscal needs of the Government, and because our tariffs were very low.

I do not see any difficulty in regard to this additional tax because the Charter does not take into consideration additional taxes.

In regard to the 2 per cent. ad valorem, I have to agree with the United Kingdom Delegate that we cannot continue with the collection of this 2 per cent. ad valorem, and because of this, my Government is trying to abolish it. This is a matter of negotiation, as ^{are} other matters we have on the same level - especially with Great Britain, which has a lot of situations which will require further consideration and future negotiation.

CHAIRMAN: (Interpretation): Gentlemen, if you will permit me, I will come back to the first question which was put by the Delegate of the United Kingdom, since, in my opinion, this question is of interest to all Delegations.

It seems to me certain that, as Brazil is about to take new measures, all Delegations have the right to revise their lists of requests and, perhaps, add something to these lists. This, of course, does not imply that Brazil has any obligations whatsoever to satisfy these requests. This will be the subject of further negotiations. But it seems to me that all Delegations have the right to review and revise their lists of requests. In my opinion, no ambiguity whatsoever should exist on this particular point.

The Delegate of Brazil.

Mr. O. PARANAGUA (Brazil) (Interpretation): Mr. Chairman, we can accept your observation, but with one shade of meaning in its interpretation; not exactly with a reservation, but with a shade of meaning in its interpretation. It should not be taken to mean that other Delegations have a right in this field. We could not recognize in any way a right to absolutely free concessions - concessions which will not be compensated by anything because of the situation which has arisen in view of the depreciation of our currency. This would be equivalent to a 47 per cent reduction, free of cost, at the very beginning of the negotiations.

With that shade of interpretation, I could accept your comment, Mr. Chairman.

CHAIRMAN: I expect we are all agreed on this point.

Mr. O. PARANAGUA (Brazil) (Interpretation): Mr. Chairman, I believe that the situation is now quite clear and, as time is pressing on, especially for the negotiations, I would like to see

us arrive at the conclusion of the debate, so that we know exactly where we stand.

CHAIRMAN (Interpretation): G- tlemen, I think the debate has now reached its end. To sum up; first of all, practically all Delegations who have taken the floor have acknowledged the legitimate character of the measure taken by the Brazilian Government. On the other hand, they have claimed the right, if the need arises, to revise the lists of requests they have presented.

Thirdly, you have accepted this with the shade of interpretation you referred to. Finally, there is the general reservation contained in the Charter to cover the case where countries would not commit themselves pursuant to the negotiations.

In view of this, I think the time has now come to part and I wish you the best of luck in your negotiations.

The Delegate of Cuba.

Mr. R. L. FRESQUET (Cuba): Mr. Chairman, we are in full sympathy with Brazil's position and we are very glad that the Committee has accepted, by unanimous decision, as you say, the legitimate need of Brazil to take up such a position.

We did not take a stand before in this matter because we are an interested party; that is, we have a rather similar situation to that of Brazil. I repeat, we are glad, because the position in Brazil presents the same difficulties which the Cuban negotiating team is experiencing at the moment and they may also perhaps be solved in the same way.

H.E. A. de V.F. BRAGA (Brazil) (Interpretation): Mr. Chairman, before this meeting which is about to be terminated, is formally adjourned, the Brazilian delegation would like to avail itself of this opportunity for thanking the other delegations for the good-will with which they have focussed their attention on the question which is not only extremely important for the Brazilian Government, but important for all since good faith and sincerity are common objectives of our work. This, I may say, has increased our confidence and has increased our belief that we are close to the truth when we thought that mutual confidence, good faith and good-will are the main factors which will ensure the success of the Charter and of the Organisation which is about to be set up.

The Brazilian delegation goes out of this debate entirely satisfied and ready to do everything in its power to speed up according to the recommendation of the Working Party, the negotiations which have begun and to lead them to a successful end. This is the earnest and sincere wish of the Brazilian delegation and it depends on the spirit of cooperation on the part of the other delegations to achieve this objective.

Mr. WINTHROP BROWN (United States): Mr. Chairman, I do not wish to trespass on the time of the Commission, but I was very much intrigued by the remark of the Cuban delegate as to the possible solution of some of his problems to be resolved at this debate. I wonder if he would care to elaborate on what he had in mind.

CHAIRMAN (Interpretation): Before I call on the delegate for Cuba who would certainly like to answer the question which has been directed to him, I would like to make one observation, namely that the objective of the meeting which was held to-day was not to pass a resolution, - it was a meeting similar to those which were held to inform the Belgian delegation of the new tariffs applied by the Economic Union between Belgium, the Netherlands and Luxembourg and the meetings held to explain to various delegations the new tariff applied by France.

Also, when summing up the debate I stated that all delegations recognise the legitimate character of the measures taken by Brazil. There was no question, of course, of sanctioning this by vote. I think that the Cuban Delegate has spoken of a unanimous resolution and I would like to stand by the words I used which were that there was a general concensus of opinion and that the opinion prevailed that the measures taken by Brazil were legitimate. Now, I shall call on Monsieur Fresquet.

M. R.L. FRESQUET (Cuba): Mr. Chairman, I do not remember now the exact phrases I used, but I meant to say the almost unanimous opinion as to the legitimacy of the needs of Brazil. That is what I meant. It is too late now, and I hope that Mr. Brown will excuse me, to elaborate further on my remarks. In due time and in the proper manner all the interested parties will hear about it.

Thank you.

CHAIRMAN (Interpretation): In the circumstances, Gentlemen, I believe that we can adjourn.

The meeting is adjourned.

The meeting rose at 12.40 p.m.