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

CORRIGENDUM TO VERBATIM REPORT OF THE NINTH MEETING
COMMISSION A (Doc. E/PC/T/A/PV/9)

The following text should be read as remarks made by Mr. RODRIGUES
(Brazilian Delegate) on pages 18 and 19:

Mr. RODRIGUES (Brazil): Mr. Chairman, I have nothing to
say against the second part of paragraph 2 as it stands in
Document T/W/150.

I think that only the second part of it constitutes the
amendment of the American Delegation. As the American amendment
covers also the paragraph two of the New York Draft, and as I do
not agree with the expression "directly or indirectly", included
in the first part of this paragraph, I should like to explain my
point of view.

As everybody knows, there is in taxation a very clear
division between direct and indirect tax.

In spite of being criticised, this distinction is, however,
generally accepted. Therefore, if those two words "directly
or indirectly" remain in the first part of this paragraph, sooner
or later we will have to discuss the matter again, because we are
dealing here with products, and the direct tax cannot be imposed
upon products.

The United States corporation income tax, for instance, is
imposed with some discrimination on foreign companies. Would it
be prohibited in the light of the Draft we are examining, now?
It is a matter of fact, I do not know of any direct tax upon
products, but there is no doubt that the corporation tax is not a
personal tax. Being a real tax could it be regarded, therefore,
as a discriminatory tax upon products?

In all countries we have perhaps a tax which can be in the
same situation. Therefore, I believe it will be advisable to
avoid future difficulties.

If the United States representative can explain the matter
and give any other meaning to these words, perhaps I could change
my opinion about them.

* Corrigenda 5 and 6 have been issued in French only.