

GENERAL AGREEMENT ON TARIFFS AND TRADE

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BRAZILIAN TARIFF AND SCHEDULE

Statement by Dr. Martinez, representative of Cuba
at the meeting of the CONTRACTING PARTIES on 13 November 1956

While fully supporting the recommendation of the Working Group on the Brazilian Tariff and Schedule, the Cuban Delegation wishes to make some brief comments and set forth a few general ideas in connexion with the significance of these recommendations within the framework of the overall policy of the CONTRACTING PARTIES.

In the first place, special reference should be made to the attention given by all the contracting parties to the Brazilian case which, because of its unquestionable complexity, required special consideration in order to find a satisfactory solution. In this effective cooperation, the secretariat has played a very important part and its work has constituted a real contribution. In our opinion, the importance of the decision to be taken this morning by the CONTRACTING PARTIES, does not lie merely in the fact that during its examination and study in the Working Party the countries have shown a spirit of friendly cooperation; nor does it consist in that it has been possible to find a formula which satisfies the legal principles set forth in the General Agreement; nor in the fact of having entirely safeguarded the rights of all the contracting parties interested in trade with Brazil. In our view, this measure is important because, when adopted - and provided that it is implemented later with the same spirit of cooperation - it will lend strength to the major purposes of this Organization and enable its members to conduct their trade relations so as to promote improved standards of living and the full utilization of the world's resources.

It is worth saying, Mr. Chairman, that the Brazilian case is not an exceptional one among the contracting parties. Many of the countries referred to as "underdeveloped countries" are faced with more or less the same economic difficulties. Generally speaking, the nomenclature of our tariffs is obsolete. Our tariffs are mostly based on specific duties. Their protective incidence, which was negotiated in 1947 or even before, has been reduced to an insignificant level because of the continuous increase in prices of foreign products. Finally, there is an urgent need to give protection to our incipient domestic production since the world market is becoming smaller and smaller for primary commodities, the production of which was until recently the very basis of our economies. As

a result of these circumstances, we are probably facing today the most serious problem of our times: unemployment - structural unemployment, labour unemployment, natural and technological resources unemployment. As has often been said, we live miserably while sitting on a magnificent treasure.

The excellent document published by our competent secretariat on international trade during 1955 gives a clear picture of the dark situation of our countries which are facing the gradual reduction of their trade with the more developed regions, the immobilisation or even the decline of the prices of their basic commodities, the scarcity and inadequacy of foreign investment, and, finally, the continuance of an adverse position in their terms of trade. All these economic factors, together with many others which could not be mentioned in a short statement, compel the Governments of our countries to modify substantially their present legislation, especially in the tariff field, in view of the importance of international trade for their vulnerable economies.

We have said previously that this decision constitutes an expression of international cooperation. However, it will be essential to implement it in the same spirit of solidarity and good-will which has animated its drafting. By virtue of this decision, Brazil will be exonerated to the necessary extent from the obligations of Article II and will be able to apply its new tariff immediately; further Brazil will undertake to initiate negotiations with other contracting parties as soon as possible with a view to establishing a new Schedule of tariff concessions. Now, in our opinion, the way in which these negotiations will be conducted and their results will determine the real and final scope and character of the measure we are called upon to adopt today.

The CONTRACTING PARTIES are aware that the procedures now followed in tariff negotiations present many deficiencies. The strict operation of the principle of "substantially equivalent compensations" does not contribute at all to a proper distribution of international trade in line with the basic principles of the General Agreement. For this reason, if these negotiations - as also any other discussions initiated by other contracting parties in similar circumstances - are conducted by the countries concerned in a spirit of fair understanding, and if it is possible to modify the traditional concepts regarding concessions and compensations and to recognise economic realities and commercial inequalities, the contents of the present decision, supported by the evidence of facts, will prove to be sound and practical. But if unfortunately the negotiations are based on criteria of exaggerated legality, the generosity and understanding shown today will be in vain, and neither Brazil now, nor other contracting parties in the future will be able to find a proper solution for their economic difficulties.

However, Mr. Chairman, the Delegation of Cuba still believes in international cooperation and in the principles that brought the General Agreement into being. Accordingly, with the faith shown by men of good-will in facing today the serious difficulties of the world - the most important of which are economic - our Delegation hopes that the Contracting Parties will devote all their efforts to these two noble objectives: to raise the standards of living of our peoples and to secure and develop the full employment of the world's resources.