The Brazilian delegation wishes to inform the Contracting Parties of the general position of their Government with regard to the Review of the Agreement. Their intention is not to submit forthwith detailed proposals, for they consider that these proposals would be more appropriately situated within the framework of the debates to be undertaken on the substance of the statements made during the first stage of our proceedings. This being established, Mr. Chairman, the Brazilian Delegation considers it, however, essential to make a few general remarks pursuant to its attitude during the debates at previous sessions, where it has consistently militated in favour of the revision of the Agreement which is now being initiated.

It seems to me, Mr. Chairman, that the various statements we have had the pleasure of hearing during the last few days have thrown sufficient light on the type of problems which this review will raise. They might perhaps be summed up by saying that the new instrument should be designed to create more equitable conditions of fair play in trade for exporter countries of industrialized goods and likewise for exporter countries of primary commodities. On the one hand, the industrialized countries today require a stricter organization, free from escape clauses, which are detrimental to the objectives they have set up. On the other, countries in process of development requiring to make the best possible use of their low importing capacity, cannot be deprived of permanent measures, to be inserted in the Agreement, which would permit them to exercise a minimum of discrimination in that sense.

It may be stated that under-developed countries are characterized by a low rate of national income, in liquid and material assets, per capita. It may also be said that the object of economic development is to raise to the highest degree, and as soon as possible, the national per capita production, within conditions of domestic equilibrium of employment and of balance of payments. As will be recalled, there is a close connection between increase in domestic production and the volume of imports of capital goods and raw materials for industrial consumption. That correlation often causes an unbalance between the rate of increase in production which each country considers it advisable to attain, and its import capacity of these capital goods and products for industrial consumption which are required to maintain that rate of economic expansion. This unbalance characterizes economic progress in countries which are in process of development. The problem for these countries is, consequently, to obtain foreign means of payment to finance their economic development at that predetermined level.
Three solutions to that problem are available to countries in process of development. Firstly, the income derived from exports should be distributed between imports of capital goods and imports of industrial raw materials and essential consumer goods. Secondly, those means of foreign exchange payments should be expanded by increasing exports, and by reducing the imports of goods which can be produced within the country from domestic resources. Thirdly, the building up of capital should be stimulated either by the co-operation afforded through foreign capital, or by directing the national savings towards more productive investments.

In conclusion, Mr. Chairman, the Government of Brazil feels that these considerations are deserving of careful and exhaustive scrutiny by the industrial powers represented within this Organization. It seems to it that the structure of economic co-operation, which is the object of the General Agreement, may either retard or accelerate the achievement of the solutions we have mentioned. The General Agreement, to the extent to which it accelerates or retards the rate of increase of national production in under-developed countries, will prove either profitable or harmful to these countries when they are in process of development. The General Agreement may be harmful, if it tends to maintain the economic status quo of under-development of these countries, and also if it confines itself to considerations of short-term equilibrium, rather than to those of long-term creative progress. The General Agreement may prove an advantage, if it enables countries in process of development to rise above their economic status quo without unbalance, and stimulates the technical progress of industrialized countries through closer international competition.

The Brazilian Delegation wishes to express the desire of its Government to co-operate, by an understanding and realistic attitude, in the very important task of the Contracting Parties. This has always been the attitude of Brazil in the various sectors of international life. It firmly believes in the solution of problems within the scope of multilateral negotiations, based on the respect and recognition of mutual rights and interests. It therefore feels it can hope that this spirit of co-operation will meet with the sympathetic consideration and understanding of those who, by reason of their economic and trading importance, are to map out the road which will lead to the adoption of an instrument corresponding not only to the requirements and interests of their own group, but also to the just and urgent claims of the under-developed countries in process of development. The Brazilian Delegation wishes to confirm its view that the future Agreement should no longer include the escape clauses to cover the needs of countries in course of development, but a specific chapter where the position of these countries will be appropriately dealt with.

These are the brief remarks, Mr. Chairman, which the Brazilian Delegation ventures to submit at this stage of our deliberations, while reserving its position to present other considerations and proposals in the general debate and in the work within the committees.