The delegation of Brazil wishes to inform the Contracting Parties of his Government's attitude as regards the instruments drawn up during the Ninth Session, indicating at the same time the modifications which they propose to make in their customs tariff.

The text of the General Agreement (revised) has been submitted to the Government which has examined it carefully in connection with interested production and trade circles, that is, the National Industry and Trade Confederations and the National Agricultural Association. The modifications made to the text of Article XVIII which gave the General Agreement a new orientation by recognizing the varying economic structures of the contracting parties and by providing for measures to meet such situations have largely contributed to the new text being accepted.

While recognizing that its claims, several of which were supported by underdeveloped countries during the Ninth Session, have not been met under the revised text, the Government of Brazil, however, are of the opinion that the new instrument constitutes a reasonable compromise which does credit to all those who participated in its preparation. The Government of Brazil therefore has not hesitated to submit it to the Brazilian Congress for the purpose of rectification so that Brazil can add its signature to those of other contracting parties. My Government, however, has come to the conclusion that they could not, for reasons of an administrative nature, accept the revised text of Article VIII, which would result in the elimination of certain documents required upon imports of goods, in particular consular invoices. The Brazilian Government has thus been under the obligation to reserve its position in regard to that Article.

Furthermore, the Government of Brazil has not signed the Declaration on the Continued Application of Schedules, because for reasons of a revenue, and more specifically of an economic nature, they propose to substitute an ad valorem tariff for the existing tariff. In fact the statements made by Brazilian delegates on the occasion of previous sessions of the Contracting Parties have made it clear why, in their view, such a change had become necessary.

The Commission which had been entrusted with the task of reviewing the customs tariff has just completed its work and has submitted a new draft tariff to the Brazilian Treasury. It is quite possible that this new draft will soon
be submitted to the National Congress. As soon as the latter has made a decision, my Government will not fail forthwith to communicate the new tariff to the Contracting Parties, in conformity with the provisions of the General Agreement. The authors of the new draft believe that a period of twelve months as from its entry into force would be adequate for the purpose of renegotiating the new modifications. I am in a position to inform you now that the new tariff will not involve any proposals which might have unfavourable effects on the volume of Brazilian foreign trade. The purpose of the modifications made is to secure a more orderly and more rational protection in favour of economic development. They will make it possible for the Government, in the present financial situation, to transfer from the monetary and exchange fields to the tariff domain elements which constitute normal protection for Brazilian production.

This brief information concerning the tariff changes made in Brazil leads me to call your attention to the fact that the final stand which Brazil will take as regards its continued participation in the GATT will, in the last analysis, depend on the understanding which the Contracting Parties will show when they examine our new customs tariff.