This complaint, originally made by France and the United Kingdom in 1949 concerns the element of discrimination in certain Brazilian internal taxes against certain French, United Kingdom and United States exports such as cognac, apertifs, watches and clocks, beer and cigarettes.

At the last Session, the Contracting Parties were informed by the representative of Brazil that a Bill to amend the existing laws was under consideration by the Brazilian Congress which would correct the situation in 1955.

At this Session, the delegate of Brazil, Mr. Barboza-Carneiro, re-affirmed that his Government recognized the legal validity of the complaint and the right of countries whose interests were affected to have recourse to the appropriate provisions of the Agreement to obtain compensation. The Brazilian administration was trying to obtain the approval of the Congress for a draft law to amend the existing laws but the examination of the text had been delayed because the Congress was in process of considering a new fiscal code.

The Contracting Parties adopted a Resolution affirming the right of the affected contracting parties to have recourse to the appropriate provisions of Article XXIII, urging the Government of Brazil to take all steps to bring the existing laws into conformity with the GATT and requesting the Brazilian Government to report as early as possible, and in any case not later than the Eleventh Session, on action taken.