1. The Tariff Negotiations Committee hereby reports to the CONTRACTING PARTIES that the negotiations conducted by Brazil with a number of contracting parties under the Decision of 16 November 1956 in order to establish a new Schedule of Brazilian tariff concessions have been completed; and, in accordance with paragraph 3 of the Decision, presents the report of Brazil and the other negotiating contracting parties on the results of their negotiations. These results are embodied in the following instruments:

- Protocol Relating to Negotiations for the Establishment of New Schedule III - Brazil, dated 31 December 1958
- Procès-Verbal containing Schedules to be annexed to the Protocol Relating to Negotiations for the Establishment of New Schedule III - Brazil (Brazil and United States of America) dated 10 February 1959
- Procès-Verbal containing a Schedule to be annexed to the Protocol Relating to Negotiations for the Establishment of New Schedule III - Brazil (Brazil and Benelux) dated 10 March 1959
- Procès-Verbal containing Schedules to be annexed to the Protocol Relating to Negotiations for the Establishment of New Schedule III - Brazil (Brazil and United Kingdom) dated 13 May 1959

which have been circulated and are made a part of this report. The Committee recommends that the CONTRACTING PARTIES invite any contracting party which wishes to make observations or raise questions with regard to these negotiations, under paragraph 3 of the Decision of 16 November 1956, to do so at the time this report is considered by them, in order that the CONTRACTING PARTIES may, at that time, make any recommendations or take any other action, which might be appropriate under that paragraph.

2. The negotiations began in February 1958 and, by the end of the year, Brazil had reached agreement with the following countries:

- Australia
- Austria
- Canada
- Czechoslovakia
- Denmark
- Finland
- France
- Greece
- India
- Italy
- Japan
- Norway
- Sweden
- Union of South Africa
3. The Protocol Relating to Negotiations for the Establishment of New Schedule III - Brazil was opened for signature on 31 December 1958. In view of the fact that the Benelux countries, the United Kingdom and the United States had not completed their negotiations with Brazil, provision was made in the Protocol for annexing to the Protocol itself the Schedules of concessions resulting from these negotiations. These Schedules would be governed by the provisions of the Protocol as from the day following the signature of a Procès-Verbal by the Government of Brazil and by the other government concerned. There were thus annexed to the Protocol the results of the negotiations of Brazil with the United States (Procès-Verbal of 10 February 1959); with the Benelux countries (Procès-Verbal of 10 March 1959); and with the United Kingdom (Procès-Verbal of 13 May 1959).

4. According to paragraph 4 of the Decision of 16 November 1956, "a contracting party determined by the CONTRACTING PARTIES to have a principal supplying interest or a substantial interest in any concession which would be modified or withdrawn as a result of such negotiations will be entitled to withdraw substantially equivalent concessions initially negotiated with the contracting party having modified or withdrawn such a concession." The Committee wishes to call the attention of any such contracting party to the requirement of this paragraph that "such action will have to be taken not later than six months after such concession has been modified or withdrawn and after the CONTRACTING PARTIES having been duly notified." It is considered that any such action taken by a third contracting party should be notified to the CONTRACTING PARTIES. Moreover, it is recommended that the CONTRACTING PARTIES now (i) determine that if any third contracting party claims an interest under paragraph 4, and such interest is recognized by the negotiating contracting party, such recognition shall be deemed to be a determination of interest by the CONTRACTING PARTIES under the terms of paragraph 4, and (ii) authorize the Intersessional Committee to make the determination of interest in any case of dispute under the paragraph.

5. It had been proposed at one time that it would be appropriate to have an additional waiver to provide the legal basis for the application of the new concessions negotiated by Brazil, and of any modifications or withdrawals made by other contracting parties, prior to their formal entry into force pursuant to the Protocol. However, the Committee took the position that the waiver itself contained sufficient authority for all parties to the negotiations to put into effect the results of the negotiations pending the formal entry into force of the Protocol (TNB/23, 17 October 1958, page 1). The Committee desires to bring this important matter to the attention of the CONTRACTING PARTIES.

6. The representative of Brazil pointed out that, due to long delays in the conclusion of the negotiations with certain countries, it has been impossible until now to have the complete results of the negotiations for submission to the Congress to obtain the approval necessary for their entry into force. Consequently, he proposed an extension for one year of the period provided in paragraph 1 of the waiver for giving effect to the negotiations. The representatives of certain other contracting parties, while agreeing that an extension is appropriate, considered that such a long extension at this time
would cause them some difficulty. They referred to the practice of extending time periods only until the end of the next session of the CONTRACTING PARTIES, pointing out that this provides ample opportunity for the CONTRACTING PARTIES to consider fully the question of a further extension, in the light of the situation then existing, before the prior extension ends. The Committee therefore recommends that the CONTRACTING PARTIES extend the date for putting into effect the results of the negotiations, provided for in paragraph 1, until the end of the fifteenth session. It is understood that, if during the fifteenth session the Brazilian Government should find it necessary to request a further extension, the CONTRACTING PARTIES would then, in the light of the progress and prospects for future action presented to them by the Brazilian representative, sympathetically consider any such proposal.