The representative of Brazil reported to the Committee that since the last meeting his delegation had completed negotiations with Denmark, India and Japan. With Australia and Canada he hoped to sign on the following day. Agreement with the Union of South Africa, which was dependent on an agreement being reached with Australia should therefore not be long delayed. One point remained to be settled with Benelux. After having made offers to the United States on two further items in the Brazilian Tariff he was waiting to hear the United States Authorities' decision on the offers of Brazil as a whole. Negotiations were continuing with the United Kingdom and he hoped that an agreement would be reached before long. With Chile and Uruguay negotiations were in progress at Santiago and Montevideo; he would report on them as soon as they were completed.

The representative of Canada confirmed that his delegation was prepared to conclude their negotiations with Brazil.

The Committee took note of the report of the representative of Brazil.

The representative of the United Kingdom stated that his delegation was prepared to discuss the draft before the Committee on the understanding that they would not be in a position to take formal commitments with respect to the final form of any legal instruments pending the conclusion of their bilateral negotiations with Brazil.
The Chairman pointed out that the Committee would have to present its report to the Thirteenth Session of the CONTRACTING PARTIES and that this report would in fact consist of the draft Protocol and the annexed Schedules. As the text of the Protocol would not receive its final approval until it had been examined by the CONTRACTING PARTIES he asked whether the representative of the United Kingdom would agree to the Committee pursuing the examination of that text to avoid further delay in reporting to the CONTRACTING PARTIES.

The representative of the United Kingdom replied that he had clearly reserved his position and therefore agreed to continue.

The Committee agreed to take as a basis for discussion the draft Protocol contained in TNB/19/Add.2.

In reply to a question by the representative of Austria relating to the exchange of letters between Brazil and certain delegations, the representative of Brazil pointed out that his Government had undertaken in those letters to put into effect the results of the negotiations concerned as soon as possible even before negotiations with other contracting parties had been completed. His Government had found that the proper way to implement this undertaking was to present to Congress the protocol embodying the results of all the negotiations which had been completed. In his view, any negotiations subsequently concluded should form the subject of supplementary protocols. He considered that it was in the interest of all contracting parties, including those which had not completed their negotiations, that Brazil should put into force as soon as possible all the concessions which had been agreed upon up to that time; the benefits of these negotiations, at least, would therefore be enjoyed, directly or indirectly, by all contracting parties.

The Chairman commented on another aspect of the Austrian representative's question, that it is the apparent contradiction which the latter saw between the undertaking contained in the letters exchanged with the Brazilian delegation and the provisions of paragraph 3 of Part I of the Protocol requiring acceptance by all contracting parties for that part to enter into effect. He explained that effect would be given to the concessions at any time in accordance with a decision of the CONTRACTING PARTIES and that the purpose of the unanimity clauses in paragraphs 3 and 5 of the draft Protocol was the formal modification of the authentic texts of the Schedules concerned.

The Committee agreed, subject to a review of the position, to base its examination of the draft Protocol on the first alternative in paragraph (c). The paragraph would, therefore, provisionally read:

"(c) NOTING that the modifications of concessions resulting from these negotiations have been made effective in accordance with the aforesaid Decision; and"

It was decided that a sub-group, composed of the Chairman and representatives of Brazil, France, United Kingdom and United States would examine the draft Protocol and report to the Tariff Negotiations Committee at a meeting to be held on 6 October.