

UNITED STATES TARIFF COMMISSION



**ECONOMIC CONTROLS
AND
COMMERCIAL POLICY
IN
BRAZIL**

One of a Series of Reports on
Economic Controls and Commercial Policy
in the American Republics



Washington
1945

UNITED STATES TARIFF COMMISSION

OSCAR B. RYDER, *Chairman*

LYNN R. EDMINSTER, *Vice Chairman*

EDGAR B. BROSSARD

E. DANA DURAND

GEORGE MCGILL

GEORGE Z. BARNES

E. M. WHITCOMB, *Acting Secretary*

FOREWORD

This is one of a series of reports on Economic Controls and Commercial Policies in the Latin American Republics.

Other work in preparation by the Commission relating to trade problems of the American Republics includes a series of reports under each of the following headings: Mining and Manufacturing Industries; Agricultural, Pastoral, and Forest Industries; and Recent Developments in Foreign Trade.

In the preparation of this report the Commission had the services of David Lynch, Allyn C. Loosley, and other members of its staff.

(24159)

CONTENTS

	<u>Page</u>
Introductions	
Brazil—a summary description	1
The Brazilian economy:	
Agriculture	2
Pastoral industries	4
Forest industries	4
Mining	4
Manufacturing	6
Pre-war foreign trade	6
General character of economic controls and commercial policy	7
Economic controls and commercial policy before 1940:	
The tariff	8
The period preceding 1934	8
The tariff of 1934	9
Tariff powers of the Executive	10
The Superior Tariff Council	11
The Federal Foreign Trade Council	12
Commercial agreements	12
Other restrictions on imports:	
Import prohibitions to prevent industrial overexpansion	14
Required consumption of domestic products	14
Export duties	15
Exchange control	16
Clearing and compensation agreements	19
Standardization of export products	20
Coffee valorization and control programs	21
Early valorization schemes	21
The National Coffee Department	22
The marketing ("defesa") institutes	24
The National Mate Institute	24
The Cacao Institute of Bahia	25
The Sugar and Alcohol Institute	25
The Rice Institute of Rio Grande do Sul	26
Other institutes	27
The National Petroleum Council	27
Economic controls and commercial policy since the outbreak of the war	28
The Customs Tariff of 1940	28
Modification of export duties	29
Exchange control since 1940	29
Recent commercial agreements	30
Further coffee-control measures	30
The Inter-American Coffee Agreement	31
New marketing institutes and commissions	32
The National Salt Institute	33
The National Pine Institute	33
The Executive Commission for the Fruit Industry	34
The Executive Commission for Mandioca Products	34
The Executive Commission for the Fishing Industry	34
Government iron and steel projects	34
Additional aids to industry	35
Mobilization of the domestic economy	35
The Office of Coordinator of Economic Mobilization	36
Commission for the Financing of Production	38
The Export-Import Bureau	38
Export and reexport controls	38
Wartime commodity purchase agreements	39
Wartime financial controls	41
Rationing of scarce commodities	42
Price control	43
Post-war problems relating to controls and commercial policies	
Post-war effects of war conditions	45
Trade barriers	46
Government regulation of industry	47
The coffee-control program	48