

SECOND COMMITTEE: ECONOMIC DEVELOPMENT

THE REPORT OF WORKING PARTY II OF SUB-COMMITTEE C OF COMMITTEE II

The Working Party II of Sub-Committee C, appointed to consider the text of sub-paragraph (c) of paragraph 2, Article 13, and the amendment proposed by the delegation of Cuba, agreed unanimously on the following text:

2. (c) If as a result of action initiated under this paragraph, there should be an increase in the importations of the product or products concerned, including products which can be directly substituted therefor, which if continued would be so great as to jeopardize substantially the plans of the applicant Member for the establishment, development or reconstruction of the industry, industries or branches of agriculture concerned, and if no preventive measures consistent with this Charter can be found which seem likely to prove effective, the applicant Member may, after informing, and when practicable consulting with the Organization, adopt such other measures as the situation may require provided that such measures do not restrict imports more than necessary to offset the increase in imports referred to in this sub-paragraph. Except in unusual circumstances such measures shall not reduce imports below the level obtaining in the most recent representative period preceding the date on which the Member's original notification was made under sub-paragraph (a) of this paragraph. The Organization shall determine, as soon as practicable, whether such measures should be continued, discontinued or modified. It is recognized that the contractual relationships referred to in sub-paragraph (a) of this paragraph involve reciprocal advantages, and therefore any other Member with whose contractual rights such action conflicts, and whose trade is materially affected by the action, may suspend the application to the trade of such Member of such substantially equivalent obligations or concessions under Chapter IV, the suspension of which the Organization does not disapprove. Any Member intending to suspend such application shall consult the Organization before doing so.

/The Sub-Committee

The Sub-Committee also agreed that the decision reached by the Sub-Committee established by the Sixth Committee to consider Chapter VIII of the Charter, as set out in document E/CONF.2/C.6/49, met the purpose of the Cuban proposal. The delegate of Cuba, present at the meeting of the Working Party concurred with this view.

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