

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

RESTRICTED

LIMITED B  
GATT/CP.3/79  
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Contracting Parties

Third Session

Cuban Statement at Meeting of Contracting Parties, Tuesday, 9 August 1949  
at 10 a.m.

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Mr. Chairman,

Once the CONTRACTING PARTIES have taken a decision against the legal thesis that has been maintained by Cuba with reference to the guarantee and stability of preferential systems within the framework of GATT, the Delegation of Cuba considers that it must withdraw from this Session of the CONTRACTING PARTIES for the purpose of informing its Government.

It is for the Government of Cuba and not for this Delegation to decide, after careful consideration of the situation with which it is confronted in this body, what shall be its attitude and its policy in the future.

The Delegation believes that, the legal thesis presented having been decided against it, a thesis from which are derived fundamental rights for our country, it is useless to have recourse to a procedure for finding a formula that might attempt to compensate somewhat the damage ensuing from such a decision. The damage done cannot be evaluated merely by taking into consideration the loss of certain given preferentials because, as we have stated repeatedly, the gravity of the measure lies in that, over and above the loss of certain preferentials, it totally impairs the preferential system itself since it leaves the maintenance of Cuba's preferences to the decision of other contracting parties and not to Cuba.

With reference to the declaration made by the Delegation of the United States, the Delegation of Cuba expresses its satisfaction at the withdrawal of the offer on sugar made to the Dominican Republic, due to the importance which it attaches to it. However, as the United States has reserved its right freely to dispose of preferences, including that on sugar, in future negotiations, we regret that we cannot change our views on the problem as a whole.

The Delegation of Cuba wishes to state, and that it be incorporated into the record, that it does not accept the decision of the CONTRACTING PARTIES and that in withdrawing from this Session of the CONTRACTING PARTIES, on instructions from its Government, it reserves to Cuba all such rights as it may have or which may correspond to it pursuant to the provisions of the GATT, and, eventually, of the Havana Charter, to request and to claim the rectification of the measure adopted or the adoption of others to re-establish to Cuba's satisfaction the equilibrium of the negotiations carried out by our country within the GATT, an equilibrium which has been seriously impaired under the present circumstances.

At the same time, the Delegation reserves to Cuba all such rights as it may have to challenge, wherever it may be appropriate, negotiation carried out by any contracting party affecting the preferentials of Cuba without the consent of our Government previously obtained through adequate and free negotiations.

The Delegation of Cuba wishes to say also that in these moments of grave difficulty for its country it is not animated by any desire to say disagreeable things in withdrawing from the Third Session of the CONTRACTING PARTIES. The Delegation of Cuba has too much respect for itself and for its international conduct to lose at this time, in spite of the grave difficulties which it is undergoing, the sense of moderation that has characterized it through this as well as the other serious problems that it has met in connection with GATT. But the Delegation of Cuba cannot withdraw from this Session without giving voice to certain declarations which it considers necessary because under certain circumstances earnest and even severe criticism may bring about constructive effects in the evolution of an international body.

The Delegation of Cuba which participated in the Second Session of the CONTRACTING PARTIES held at Geneva in 1948, had occasion to see how in the course of that Session the Delegation of the United States obtained a decision from the CONTRACTING PARTIES which authorized the Government of the United States to establish a new preferential system for the benefit of certain islands of the Pacific.

A year later, at this Session of the CONTRACTING PARTIES, the Delegation of Cuba at Annecy has also seen how the United States, claiming that its basic policy is to eliminate preferences, has maintained a thesis, and the CONTRACTING PARTIES, in accepting this United States thesis, notwithstanding that it shakes the very foundations of the traditional economic structure of Cuba, have adopted a decision that practically destroys the preferential system of Cuba which was not merely tolerated but expressly incorporated in the Agreement. It is difficult to justify the difference in outlook and treatment. This serious contradiction in the economic policy of the United States and of the CONTRACTING PARTIES is incomprehensible to the Delegation of Cuba.

Cuba has evidenced that no general interpretation of the Agreement, in this case, can bring an equitable solution compatible with the high aims of mutual and reciprocal advantage, and collective welfare predicated by the GATT. In this situation, Cuba has tried to find a compromise which, while opening a procedure directed to the solution of our serious problem, gives due consideration to the problems and difficulties which may be created for others, but the CONTRACTING PARTIES have reached a decision which solves the problem of the others, yet which affords no solution to our problem, as the mild gesture made to open the comforts of Article XXIII for an eventual compensation for the compulsory elimination of some of Cuba's preferences does not cope with the heart of the difficulty itself, as we have already explained. This constitutes, in the view of the Delegation of Cuba, a very grave precedent which will have regrettable effects on international relations and especially on the future of this organization.

This has not been the sole problem which Cuba has encountered at this Third Session of the CONTRACTING PARTIES. In spite of the earnest efforts made by our Delegation, no results have been forthcoming for the relief of the grave situation with which the Cuban textile industry is faced. The CONTRACTING PARTIES will have an opportunity to ascertain the failure of the efforts of the working party appointed to settle this problem when they hear its report and the additional information which, notwithstanding our withdrawal from the Session, will be furnished by this Delegation.

In addition, Cuba has awaited in vain any positive result from the renegotiations with the United States which, requested in March 1948 and approved by the CONTRACTING PARTIES in September of that year, are still pending with serious loss for the industries concerned. The CONTRACTING PARTIES will also hear about this matter before the end of the Session.

Cuba entered into this organization without any previous experience, since a new system was being inaugurated, but, while it was lacking in that previous experience, it entered into it with a high spirit of co-operation and entire good faith in the mutually and reciprocally satisfactory benefits that were set as its objectives. It now finds that the GATT is not only helpless to settle or to relieve the new problems with which Cuba is faced, but also that Cuba's economic stability is threatened by the adoption of a procedure by virtue of which, and without its consent, the loss of its traditional preferentials in the American market is authorized.

The world is living a difficult hour. The problems that had been foreseen would arise during the post-war period to hinder the establishment of an economy of peace are darkening the horizons of all nations. Precisely in moments such as this, it is imperative to strengthen the bonds of co-operation between the nations of the world and an indispensable duty to practise an objective policy of strict international justice in order that bodies such as the GATT may fulfill their promise. At such a time, cases like Cuba's are even more discouraging. The Delegation of Cuba is not regretting this occurrence solely because it is our country, that is suffering the consequences. The Delegation of Cuba regrets these events because it is fully conscious of the high duties and responsibilities that international relations bring and because it is also aware of the fact that they are hindered by policies such as the one that is now being adopted.

The Delegation of Cuba, therefore, in withdrawing from this Session of the CONTRACTING PARTIES, wishes to express its fervent hope that situations like this may be overcome and that in the future it may be possible to avoid decisions which are so undesirable because they hurt deeply the sentiments of international co-operation and the faith which it is necessary to deposit in international institutions.

One last word, to express our sincere appreciation to you, Mr. Chairman and to the members of the CONTRACTING PARTIES for the many kind personal attentions which have been shown to our Delegation in the course of this Session.