

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

CONTRACTING PARTIES
Twelfth Session

Working Party on Schedules

CUBAN TARIFF REFORM

Draft Decision

In the light of the discussion in the Working Party the Executive Secretary has drawn up the following draft Declaration and Decision as a basis for further discussion:

CONSIDERING

(a) that the Cuban Government intends to apply in 1958 the customs tariff which has been completely revised for the purposes described in document L/737, and in the statement made by the Cuban representative at the fifteenth meeting of the Twelfth Session of the CONTRACTING PARTIES;

(b) that the application of the revised tariff will involve modification or withdrawal in respect of some products of the treatment provided for in Schedule IX.

(c) that it is the intention of the Cuban Government to enter into negotiations for such modifications and withdrawals pursuant to the provisions of paragraphs 1 to 3 of Article XXVIII and for this reason has notified the CONTRACTING PARTIES within the terms provided for in paragraph 5 of that Article;

(d) that the Cuban Government whilst accepting that in these negotiations the principle of paragraph 2 of Article XXVIII shall be fully respected, has requested that in judging the acceptability of the concessions to be offered by Cuba in compensation for the proposed modifications and withdrawals, the contracting parties concerned take due account of the special circumstances of Cuba and the nature and purpose of its tariff reform.

The contracting parties with which concessions which are proposed to be modified or withdrawn were initially negotiated, and contracting parties with a principal supplying or substantial interest;

DECLARE

(1) that in the negotiations referred to in paragraph (c) above, they will in considering the adequacy of compensation offered by Cuba for modifications or withdrawals of concessions in Schedule IX, take due account of the special position of Cuba which has bound a high proportion of its tariffs at very low rates of duty, and to this extent has less scope than other contracting parties to make compensatory adjustment;

(2) that they will not invoke the provisions of paragraph 2 of Article XXVIII with respect to the withdrawal of equivalent concessions if Cuba acts under the conditions described in the second sentence of paragraph 7(b) of Article XVIII;

(3) that every effort will be made to carry out and conclude the negotiations by 30 May 1958;

The CONTRACTING PARTIES

DECIDE

(1) that the application to Cuba of the provisions of Article XI shall be suspended to the extent necessary to enable Cuba during the period of negotiations to take action to prevent abnormal imports of products affected by the negotiations, designed to forestall the effect of the increased rates of duty provided for in the revised Cuban tariff, provided that:

(a) imports shall not be thus restricted below the highest level of imports of the product concerned for the corresponding period in 1955, 1956, or 1957;

(b) that there is no measure consistent with the provisions of the General Agreement which is practicable in order to achieve the purposes referred to in this part of this Decision.

(2) that Cuba is eligible under paragraph 4(a) of Article XVIII to resort in the negotiations referred to in this Declaration and Decision to the provisions and procedures of Section A of that Article where appropriate provided that Cuba shall at the outset of negotiations indicate the products in respect of which those provisions and procedures are invoked.