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SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE  
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT:

OBSERVATIONS AND AMENDMENTS OF THE CUBAN DELEGATION  
TO ARTICLES 14 AND 24 OF THE CHARTER.

The Cuban Delegation is of the opinion that it is inconsistent with the purposes of the Charter and with the basic idea of a multilateral agreement, which aims at the removal of unnecessary trade barriers and customs duties, that the concessions made by one Member should have to be granted to another Member, even if the latter were unwilling to fall into line with those Members who readily accept a multilateral agreement based upon reciprocal and mutually advantageous concessions between all Members.

Article 24 already provides a remedy for the extreme case in which a Member has failed to fulfil, within a reasonable period of time, its obligations under paragraph 1 of this Article. But this seems to refer only to the case in which the Organization finds, as sentence 2 of paragraph 3 states, "that the Member has, without sufficient justification, having regard to the provisions of the Charter as a whole, failed to negotiate" with the complaining Member.

The Cuban Delegation understands that this covers the case in which a Member has rejected the negotiations, but not the different situation, which may be not less serious, of its refusal to make reasonable concessions equivalent to the offers made by another Member.

Under these conditions the concessions granted in the interest of all Members who are co-operating to create a genuine multilateralism lose their real character and become a unilateral obligation of one Member in favour of another.

In order to avoid that the progressive idea of a real multilateralism in international trade, to which the Cuban

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Delegation adheres, could be discredited by such undesired and undesirable consequences, and to make fully clear the interdependence existing between the obligations set forth in Articles 14 and 24, the Cuban Delegation suggests that there be inserted in Article 14, paragraph 1,

after the words "shall be accorded immediately and unconditionally", the words "subject to the provisions of Article 24".

The Cuban Delegation also suggests that a new paragraph, 4, be added to Article 24 to read as follows:

Article 24, paragraph 4.

"Paragraph 3 will apply correspondingly if offers made by one Member in accordance with paragraph 1 were not met by equivalent concessions of the other, so as to make possible a reciprocal and mutually advantageous agreement on tariff and/or other charges on imports, and if the first Member considers that its interests would be seriously prejudiced by the fact that nevertheless its multilateral concessions could be claimed by the other Member on the basis of the most-favoured-nation clause".

Furthermore, the Cuban Delegation is convinced that the preferences deliberately kept in force as a result of careful deliberations should be protected. Therefore the Cuban Delegation proposes that paragraph 1(b) of Article 24 should read as follows:

Article 24, paragraph 1(b)

"All negotiated reductions in most-favoured-nation import tariffs shall operate automatically to reduce or eliminate margins of preference, as far as the Member that enjoys the preference and will be affected by such reduction agrees. No margins of preference shall be increased, after the negotiations are completed."