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

Secretariat Note

The undermentioned letter and enclosure have been received  
from the Cuban Delegation.

Delegacion de Cuba

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

Room 426  
Palais des Nations  
Geneve

August 21, 1947

Dear Mr. Wyndham-White:

Reference: Note of the Cuban Delegation on Cuban  
Customs Tariff

We are enclosing herewith statement prepared by the Cuban  
Delegation with regard to the adjustment of the Cuban Customs  
Tariff, in order that it may be acknowledged, and, if necessary,  
considered by the Executive Session of the Plenary Assembly which  
convenes tomorrow, Friday, August 22nd.

Yours very sincerely,

one encl.

(Signed) Emilio Pando  
Secretary

Mr. E. Wyndham-White,  
Executive Secretary  
Preparatory Committee,  
Palais des Nations.

Delegacion de Cuba

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

Note of the Cuban Delegation on  
Adjustment of Cuban Customs Tariff

1.- In Annexure 10 (Section E-3), page 49, of the English text of the London Report of the First Session of this Preparatory Committee, it is stated as follows:

"Changes in the form of tariffs, or changes in tariffs owing to the depreciation or devaluation of the currency of the country maintaining the tariffs, which do not result in an increase of the protective incidence of the tariff, should not be considered as new tariff increases under this paragraph."

2.- The Executive Committee, at the meeting of August 8, 1947, recognized the legitimacy of the application of this principle.

3.- The Cuban Delegation recorded at that meeting that Cuba is in the position contemplated in the clause quoted above, and that possibly it would avail itself of the measure whose legitimacy had been so approved.

4.- The Cuban Delegation considers it its duty to submit at this moment, prior to the termination of the - Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment, the stand it takes in this matter of primary interest for its country.

The procedure established in Annexure 10 leaves no doubt as to the fact that no discrimination exists between the case of a depreciation and a devaluation of currency, provided the corresponding adjustment does not result in an increase of the protective incidence of the respective tariff.

5. In May 22, 1943 Cuba devaluated its currency, decreasing the gold content thereof from 1.50463 to 0.8886 grams of fine gold, i.e. by 40.9%.

The effect of this devaluation on the Cuban tariff, as to its protective value, can be derived from the fact that the present Cuban tariff was established in the year 1927 and has not been increased since that date.

Other countries which also devaluated their currency in 1934, adjusted their customs tariffs accordingly. Cuba, on the contrary, had to reduce in the same year, under difficult conditions, a large number of its tariff items, affecting adversely the general level of its minimum tariff. It moreover granted greater margins of preferences, which contributed to a further reduction of its tariff.

6. A careful examination of the scope which Cuba should give to a tariff adjustment has lead us not to put it into practice up to the present time in a desire to first exhaust all other possible approaches to the problem within the framework of our negotiations. The increases which Cuba would make could be confined to such items in its tariff as are essential for the economic development of our country.

Cuba is of the opinion that upon acceptance by the Executive Committee of the legitimacy of the principle contained in Annexure 10 of the London Report, there is no necessity to submit its case, as all the circumstances set forth herein justify the application of the clause quoted above. However, Cuba has decided to take this opportunity of making known to all Nations participating in this Conference - although it has no practical effect for most of them - the intention of reserving the right to apply this principle in its tariff negotiations.

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page 4.

We feel confident that this reservation will be received by the Conference with the same spirit of understanding which has been accorded to a previous case in which the effective application of the principle was submitted to its consideration.

Geneva, August 19, 1947.