

THIRD COMMITTEE: COMMERCIAL POLICY

DRAFT CHARTER

CUBA: PROPOSED AMENDMENTS

I

Chapter IV - Article 16

- (a) Add to paragraph 1 of Article 16 the following sentence:

"The operation of this paragraph will preclude classifications of tariffs, internal taxes or other charges based on "types" named after distinctive regional or geographical names of products of a Member country."

- (b) Delete the second paragraph of the footnote appended to Annex "A" and the footnote appended to Annex "D".

The proposed addition to paragraph 1 of Article 16, is based upon the recommendation adopted under the heading "Defense Against Discriminatory Measures in the Commerce of Agricultural Products" by the "Third Inter-American Conference on Agriculture" for the purpose of eradicating all such measures of a tariff or other nature by reason of the special quality of the products or of the country of origin thereof, as is the case, for example, with regard to the "Havana Cigar".

II

- (a) Delete that part of paragraph 2 of Article 18 reading as follows:

"This paragraph shall not prevent the application of differential transportation charges which are based exclusively on the economic operation of the means of transport and not on the nationality of the product."

- (b) Add a paragraph to Article 18, which will be No. 6, to read as follows:

"Paragraph 6 - The provisions of this article shall not preclude the exemption of domestic products for internal taxes as a means of indirect subsidization in the cases covered under Article 25."

III

That the first part of Article 25 of the Draft Charter reading:

"If any Member grants or maintains any subsidy, including any form ... etc." be changed to the following text:

/"If any Member

"If any Member grants or maintains any subsidy, direct or indirect, including any form etc."

IV

Add a sub-paragraph to Article 20 of the Draft Charter, which will be the (e) in the event approval is made to the amendment proposed by Cuba creating the sub-paragraph (d) within the very Article 20, with the following text:

"(e) Restrictions to import on any product, on the proportion economically necessary, by a Member country that is unfavourable affected in the production and export of a basic product to his economy through the restriction imposed by another Member country under any provision of this Charter, as long as the restriction is made toward promoting, developing or maintaining sources of employment substituting or supplementing those that are being unfavourably affected."

V

Change Article 33 of the Draft Charter for the following text:

"Article 33: Anti-dumping and Countervailing Measures"

"1. It is agreed by the Member countries, and so it is declared, that the practice of "dumping", be condemned, in whatever form it may manifest itself, and that all Members shall do the utmost within their powers to prevent and penalize such practices, pursuant to a fair international commercial policy. Consequently, it is also agreed that all Members shall counteract any and all forms of dumping with appropriate measures and also shall penalize such practices with the view to the protection of their domestic interests, provided that the Organization shall be immediately informed of the reasons and the extent of the action taken."

"2. For the purpose of this Charter the term "dumping" shall be understood to mean any difference in price, other than that originating from the normal costs of marketing the product in international trade, that may exist as between comparable simultaneous sales of such product in the domestic market of the country of exportation and the importing country, or as between sales to two or more importing countries."

"3. The margin of dumping shall be understood to mean:

(a) the difference between the price of a product exported from one country to another, and the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country, or

(b) in the absence of such domestic price, either the difference between the price at which the product is being imported and,

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- (i) the comparable price for the like product for export to any third country in the ordinary course of trade, or
- (ii) the cost of production of the product in the country of origin plus a reasonable addition for selling cost and profit."

"Due allowance shall be made in each case for differences in conditions and terms of sale, for differences in taxation, and for other differences affecting price comparability."

"4. To the effect of offsetting the estimated bounty or subsidy under which any product of any Member country is being imported into another Member country, the Members may impose countervailing duties in the amount appropriate to offset the subsidy determined to have been granted, directly or indirectly, on the manufacture, production or export of such product in the country of origin or exportation, including any special subsidy to the transportation of a particular product. The term "countervailing duty" shall be understood to mean a special duty levied for the purpose of offsetting any bounty or subsidy bestowed, directly or indirectly, upon the manufacture, production or exportation of any merchandise."

"5. Text of paragraph 3 of the Geneva Draft Charter."

"6. Text of paragraph 4 of the Geneva Draft Charter."

"7. Text of paragraph 5 of the Geneva Draft Charter, except the last sentence, which shall be deleted."

"Delete paragraph 6 of the Geneva Draft Charter."

VI

Add a sub-paragraph which would be (c) to paragraph 2 of Article 31 of the Draft Charter, reading as follows:

"To modify in order, a rule and/or any other regulating measures or interior measures from the Monopoly that, in the opinion of another Member country, shall be against the general objectives and/or against the dispositions of this Charter."

VII

Amend the last part of sub-paragraph (d) of paragraph 1, Article 43, which reads: "..... and the prevention of deceptive practices". Substituting it for the following text:

"..... and the prevention of deceptive or disloyal practices in commerce, harmful to normal production and labour".
