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GENERAL AGREEMENT ON TARIFFS AND TRADE

Contracting Parties

Second Session

REPORT OF WORKING PARTY 7 ON THE CUBAN SCHEDULE

The Working Party met on 11th September under the Chairmanship of Mr. L.D. WILGRESS and discussed ways and means of meeting the requests of the Governments of Cuba and the United States as set forth in documents GATT/CP.2/W.12 and 13.

The representatives of Cuba and the United States offered to recommend the following arrangement to their Governments:

"1. The Government of Cuba will promptly take steps to relieve the immediate difficulties affecting imports of textiles, and will consult with representatives of the Government of the United States at Havana with a view to finding a mutually satisfactory solution for the problems that have arisen in connection with Resolution 530, such solutions to be in accordance with the following principles:

- (a) The recognition of the right of the Government of Cuba to take adequate customs enforcement measures with respect to assessment at proper rates of duty and under proper tariff classifications; and
- (b) The measures thus taken by the Government of Cuba shall not have the effect of restricting trade.

The results of the consultations will be conveyed to the Chairman of the Contracting Parties for the information of the other contracting parties.

"2. The Government of Cuba will continue to apply to coloured woven textiles the treatment provided for in the third of the Notes under tariff items 114 through 117 and 132 through 135 of Schedule IX of the General Agreement.

"3. The United States will undertake to renegotiate trimmings, ribbons and galloons (Items 127 A and 142E and F), hollow tyres and inner tubes (Items 314 B and C) and nylon stockings (Item ex 137 F) - and also coloured woven textiles, referred to in paragraph 2, if the Government of Cuba so desires - in return for adequate compensation. Initial discussions to this end will begin immediately."

In recommending this solution to the Contracting Parties, the members of the Working Party wish to express their understanding that acceptance of this arrangement will not in any way impair the rights or obligations of the Government of Cuba or of the Government of the United States under the General Agreement on Tariffs and Trade.