

## RECIPROCAL TRADE

*Agreement and exchanges of letters signed at Geneva October 30, 1947;  
memorandums initialed at Geneva October 30, 1947; exchange  
of notes at Washington December 19 and 22, 1947  
Entered into force October 30, 1947; operative January 1, 1948*

61 Stat. 3699; Treaties and Other  
International Acts Series 1703

### EXCLUSIVE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CUBA SUPPLEMENTARY TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The Governments of the United States of America and the Republic of  
Cuba,

Having participated in the framing of a General Agreement on Tariffs  
and Trade,<sup>1</sup> hereinafter referred to as the General Agreement, and a Protocol  
of Provisional Application,<sup>2</sup> the texts of which have been authenticated by  
the Final Act adopted at the conclusion of the Second Session of the Pre-  
paratory Committee of the United Nations Conference on Trade and Em-  
ployment, signed this day,

Hereby agree as follows:

1. The Convention of Commercial Reciprocity between the United  
States of America and the Republic of Cuba signed December 11, 1902,<sup>3</sup>  
and the Reciprocal Trade Agreement between the United States of America  
and the Republic of Cuba signed August 24, 1934,<sup>4</sup> with its accompan-  
ing exchange of notes, as amended by the supplementary trade agreement  
signed December 18, 1939,<sup>5</sup> with its accompanying protocol and exchange  
of notes, and by the supplementary trade agreement signed December 23,  
1941,<sup>6</sup> with its accompanying exchange of notes, shall be inoperative for  
such time as the United States of America and the Republic of Cuba are  
both contracting parties to the General Agreement as defined in Article  
XXXII thereof.

<sup>1</sup> TIAS 1700, *ante*, vol. 4, p. 641.

<sup>2</sup> TIAS 1700, *ante*, vol. 4, p. 687.

<sup>3</sup> TS 427, *ante*, p. 1106.

<sup>4</sup> EAS 67, *ante*, p. 1163.

<sup>5</sup> EAS 165, *ante*, p. 1187.

<sup>6</sup> EAS 229, *ante*, p. 1198.

2. For such time as the United States of America and the Republic of Cuba are both contracting parties to the General Agreement, the products of either country imported into the other shall be accorded customs treatment as follows:

(a) The provisions of Part II of Schedule IX of the General Agreement shall apply exclusively to products of the United States of America, and the provisions of Part II of Schedule XX of the General Agreement shall apply exclusively to products of the Republic of Cuba.

(b) Products of the United States of America described in Part I, but not in Part II, of Schedule IX of the General Agreement, imported into the Republic of Cuba, and products of the Republic of Cuba described in Part I, but not in Part II, of Schedule XX of the General Agreement, imported into the United States of America, shall be subject to the customs treatment provided for in Part I of the applicable Schedule.

(c) Subject to the principles set forth in Article 17 of the Draft Charter for an International Trade Organization <sup>7</sup> recommended by the Preparatory Committee of the United Nations Conference on Trade and Employment—

(i) any product of the United States of America not described in either Part of Schedule IX of the General Agreement which would have been subject to ordinary customs duty if imported into the Republic of Cuba on April 10, 1947, any temporary or conditional exemption from duty to be disregarded, and which is of a kind which the Government of Cuba shall determine to have been imported into its territory as a product of the United States of America in any quantity during any of the calendar years 1937, 1939, 1944, and 1945, shall be entitled upon importation into the Republic of Cuba to a margin of preference in the applicable rate of duty equal to the absolute difference between the most-favored-nation rate for the like product existing on April 10, 1947, including any such rate temporarily suspended, and the preferential rate likewise existing on that date in respect of such product of the United States of America, and

(ii) any product of the Republic of Cuba not described in either Part of Schedule XX of the General Agreement, which would have been subject to ordinary customs duty if imported into the United States of America on April 10, 1947, any temporary or conditional exemption from duty to be disregarded, and which is of a kind which the Government of the United States of America shall determine to have been imported into its territory as a product of Cuba in any quantity during any of the calendar years 1937, 1939, 1944, and 1945, shall be entitled upon importation into the United States of America to a margin of preference in the applicable rate of duty equal to the absolute difference between the most-favored-nation rate for the

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<sup>7</sup> Unperfected; for excerpts, see *A Decade of American Foreign Policy: Basic Documents, 1941-49* (S. Doc. 123, 81st Cong., 1st sess.), p. 391.

like product existing on April 10, 1947, including any such rate temporarily suspended, and the preferential rate likewise existing on that date in respect of such product of the Republic of Cuba.

(d) Any product of the United States of America or of the Republic of Cuba for which customs treatment is not prescribed above shall be dutiable, when imported into the other country, at the most-favored-nation rate of duty of the importing country for the like product.

(e) Nothing in this Agreement shall require the application to any product of the Republic of Cuba imported into the United States of America of a rate of ordinary customs duty higher than one and one-half times the rate existing in respect of such product on January 1, 1945, any temporary or conditional exemption from duty to be disregarded.

3. The term "most-favored-nation rate" in this Exclusive Supplementary Agreement means the maximum rate which may be, or could have been, applied consistently with the principles set forth in Article I of the General Agreement to a product of a country which is a contracting party to that Agreement.

IN WITNESS WHEREOF the representatives of the Governments of the United States of America and the Republic of Cuba, after having exchanged their full powers, found to be in good and due form, have signed this Exclusive Supplementary Agreement.

DONE in duplicate, in the English and Spanish languages, both texts authentic, at Geneva, this thirtieth day of October, one thousand nine hundred and forty-seven.

For the Government of the United States of America:  
WINTHROP G. BROWN

For the Government of the Republic of Cuba:  
S. I. CLARK

#### EXCHANGES OF LETTERS

*The Acting Chairman of the United States Delegation to the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment to the Chairman of the Cuban Delegation*

GENEVA  
October 30, 1947

DEAR MR. CLARK:

A point of legal detail has been brought to my attention in connection with the Exclusive Agreement Supplementary to the General Agreement on Tariffs and Trade which we are signing today on behalf of our two Governments making inoperative, so long as both the United States and Cuba

are parties to the General Agreement on Tariffs and Trade, the Convention of Commercial Reciprocity between the Republic of Cuba and the United States of America signed December 11, 1902, and the Reciprocal Trade Agreement between the Republic of Cuba and the United States of America signed August 24, 1934, with its accompanying exchange of notes, as amended by the supplementary trade agreement signed December 18, 1939, with its accompanying protocol and exchange of notes, and by the supplementary trade agreement signed December 23, 1941, with its accompanying exchange of notes.

As you know, Article XI of the Convention of Commercial Reciprocity of 1902 provides that it may be terminated by either party on one year's notice, and Article XVII of the 1934 Trade Agreement, as amended, provides that it may be terminated by either party on six months' notice. With respect to the latter, the inclusion of such a provision in all our trade agreements is required by the Trade Agreements Act. Our lawyers have suggested that the very general terms of the Exclusive Supplementary Agreement might possibly be interpreted as making it impossible for either party to the 1902 Convention and to the 1934 Trade Agreement to exercise this right of termination.

It is, of course, improbable that either of our Governments would wish to exercise this right of termination, but under our law we must, nevertheless, retain it in force. To suggest, at this late date, a formal amendment to the Exclusive Supplementary Agreement expressly excepting the respective termination provisions would cause considerable inconvenience and would give greater emphasis to this point than it deserves. I am therefore writing to make it clear that we are signing the Exclusive Supplementary Agreement with the understanding that its general language would not prevent notice of termination of the 1902 Convention and of the 1934 Trade Agreement, given by either party while we were both parties to the General Agreement on Tariffs and Trade, from effecting termination of the 1902 Convention and of the 1934 Trade Agreement in one year and six months, respectively.

I would appreciate it if you could give me the assurance that your Government has the same understanding.

Sincerely yours,

WINTHROP G. BROWN  
*Acting Chairman*  
*Delegation of the United States of America*

His Excellency

Sr. SERGIO I. CLARK,  
*Chairman, Delegation of the Republic of Cuba*  
*Second Session of the Preparatory Committee*  
*for the United Nations Conference on*  
*Trade and Employment*

*The Chairman of the Cuban Delegation to the Acting Chairman  
of the United States Delegation*

[TRANSLATION]

DELEGATION OF CUBA

GENEVA, *October 30, 1947*

My DEAR MR. BROWN:

I have the honor to refer to your courteous letter of today's date, informing me that your attention has been called to a legal detail in connection with the Exclusive Agreement Supplementary to the General Agreement on Tariffs and Trade which we are signing today as representatives of our respective governments.

I have noted carefully the contents of your letter and, in reply, I am pleased to inform you that I am entirely in agreement with your statements, that is, that we are signing the Exclusive Supplementary Agreement on the understanding that the general language in which it is worded would not prevent either of the parties, while they are parties to the General Agreement on Tariffs and Trade, from notifying the other of its intention to terminate the Treaty of 1902 and the Trade Agreement of 1934, by observing the one-year and six-months notice, respectively, prescribed therein in the case of denunciation.

Very truly yours,

S. I. CLARK  
*Chairman,  
Delegation of Cuba*

Mr. WINTHROP G. BROWN,  
*Acting Chairman,  
Delegation of the United States of America  
Palais-des-Nations.*

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*The Acting Chairman of the United States Delegation to the Chairman  
of the Cuban Delegation*

GENEVA  
*October 30, 1947*

MR. CHAIRMAN:

Reference is made to the conversations which have taken place between our Delegations during the Second Session of the Preparatory Committee for the United Nations Conference on Trade and Employment, regarding the exportation of pineapple slips from the Republic of Cuba to the United States of America.

In accordance with instructions received from my government, I desire to confirm the understanding reached between our Delegations during the course of the tariff negotiations, to the effect that the Government of the Republic of Cuba will continue to permit the exportation of pineapple slips to the United States of America, and in particular to the Territory of Puerto Rico, subject to such regulations as the Cuban Ministry of Agriculture may establish; and will facilitate the acquisition and exportation of pineapple slips of good quality.

Please accept, Mr. Chairman, the assurances of my high consideration.

W. G. BROWN  
*Acting Chairman*  
*Delegation of the United States of America*

His Excellency

Sr. SERGIO I. CLARK,  
*Chairman, Delegation of the Republic of Cuba*  
*Second Session of the Preparatory Committee*  
*for the United Nations Conference on*  
*Trade and Employment*

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*The Chairman of the Cuban Delegation to the Acting Chairman*  
*of the United States Delegation*

[TRANSLATION]

DELEGATION OF CUBA

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

GENEVA, *October 30, 1947*

Mr. CHAIRMAN:

I have the honor to refer to the conversations which took place between our Delegations during the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment with regard to the exportation of pineapple slips from the Republic of Cuba to the United States of America.

In accordance with instructions received from my Government, I wish to confirm the understanding reached between our Delegations during the tariff negotiations, to the effect that the Government of the Republic of Cuba will continue to permit the exportation of pineapple slips to the United States of America, and particularly to the territory of Puerto Rico, subject to such regulations as the Ministry of Agriculture may issue, and will facilitate the acquisition and exportation of pineapple slips of good quality.

I avail myself of this opportunity to renew to you, Mr. Chairman, the assurances of my high consideration.

S. I. CLARK  
*Chairman, Delegation of Cuba*

His Excellency

WINTHROP G. BROWN,  
*Acting Chairman, Delegation of the United States  
of America to the Second Session of the Preparatory  
Committee of the United Nations Conference  
on Trade and Employment.*

MEMORANDUMS

DELEGACION DE CUBA

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

MEMORANDUM

Re: Palm Beach Cloth

The Cuban Delegation to the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment takes pleasure in addressing the Delegation of the United States of America to the said Conference, in connection with the exclusion of Sub-item 147-E of the Cuban Customs Tariff, comprising "fabrics of the hair or fleece of the angora goat (mohair) mixed with cotton, rayon or both, in the piece or not made up", from the products which are to appear in Schedule IX of the General Agreement on Tariffs and Trade.

As expressed on several occasions during the course of the negotiations by the Cuban Negotiating Team and as is well known to the United States Negotiating Team, the Cuban Government had noticed the grave practical problems arising from the difficulty or impossibility of duly distinguishing these fabrics from other wool fabrics, especially when mixed with other substances, vegetable or synthetic fibers. For this reason, the Cuban Government intends to make a careful and thorough analysis of this situation, with a view toward its final solution.

In order to facilitate and speed these negotiations and bring them to a happy conclusion, the Cuban Delegation is pleased to state that the Cuban Government does not contemplate increasing the present rate of duty on palm beach cloth, exclusively, and undertakes to exempt such product from the twenty percent surcharge established by Law No. 28, of September 8, 1941.

S. I. C.

GENEVA, *October 28, 1947.*

DELEGATION OF CUBA

## MEMORANDUM

[TRANSLATION]

The Delegation of Cuba to the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment is pleased to address the Delegation of the United States of America with reference to the exportation of avocados from Cuba to the United States of America, and to inform the Delegation that in accordance with the agreement reached during the tariff negotiations carried on by the negotiating teams of both countries, the Government of Cuba will continue to apply the export system set forth in paragraph 10 of Provision 5 of the Customs Tariff of the Republic of Cuba.

S. I. C.

GENEVA, *October 30, 1947.*

DELEGATION OF CUBA

## MEMORANDUM

[TRANSLATION]

With reference to the change introduced in the appraisal of products covered by Parts 113-A and 129-F and H of the Customs Tariff of Cuba, as regards the tare system, the Delegation of Cuba, in consequence of the negotiations conducted in this city between the negotiating groups of Cuba and the United States of America, is pleased to state that it has reached an agreement that if unusual difficulty should occur as a result of this change and it is found that in practice the 15% deduction allowed for tare is inadequate, the Government of the Republic of Cuba will view sympathetically any representation made to it in this sense by the Government of the United States of America for the purpose of effecting an adjustment in the rate of tare fixed, to cover any difference which may result in practice.

Nevertheless, it must be thoroughly understood that in no case shall any adjustment which may be made under the circumstances indicated above exceed 5% in addition to the 15% hereby agreed to, that is, that the deduction for tare in Parts 113-A and 129-F and H shall not exceed 20%.

S. I. C.

GENEVA, *October 30, 1947.*

## EXCHANGE OF NOTES

*The Acting Secretary of State to the Cuban Ambassador*

DECEMBER 19, 1947

## EXCELLENCY:

I have the honor to refer to the declaration made by the Member of the Permanent Delegation of Cuba to the United Nations when signing the Protocol of Provisional Application of the General Agreement on Tariffs and Trade on December 17, 1947, which declaration reads as follows:

"In signing this Protocol the Republic of Cuba declares its intention to make effective the provisional application of the General Agreement as from January 1, 1948 with regard to any signatory Government which will make effective such provisional application with regard to Cuba as from that date."

I am pleased to inform you that the Government of the United States, on behalf of which the Protocol of Provisional Application was signed on October 30, 1947 and which will make effective the provisional application of the General Agreement as from January 1, 1948 with respect to certain other Governments which have already signed the Protocol, is prepared as from that date to make provisionally effective the tariff concessions of principal interest to the Republic of Cuba, and generally to apply the provisions of the Exclusive Agreement Supplementary to the General Agreement on Tariffs and Trade, which was signed with the Republic of Cuba on October 30, 1947.

I should appreciate your confirmation that the Government of the Republic of Cuba will give similar effect to Schedule IX as from January 1, 1948.

Accept, Excellency, the renewed assurances of my highest consideration.

ROBERT A. LOVETT  
*Acting Secretary of State*

His Excellency  
Señor GUILLERMO BELT,  
*Ambassador of Cuba.*

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*The Cuban Ambassador to the Acting Secretary of State*

[TRANSLATION]

EMBASSY OF CUBA  
WASHINGTON, D.C.

DECEMBER 22, 1947

## MR. SECRETARY:

I have the honor to refer to the note which Your Excellency addressed to me on December 19, stating that, in view of the declarations made by

my country's Government on signing the Protocol of Provisional Application of the General Agreement on Tariffs and Trade, the Government of the United States of America is disposed to put into effect, on and after January 1, 1948, such tariff concessions made by it in the General Agreement as are of paramount interest to Cuba, and generally to apply the clauses of the Exclusive Agreement between the Republic of Cuba and the United States of America supplementing the General Agreement on Tariffs and Trade signed at Geneva on October 30, 1947. Your Excellency also requests me to confirm whether, in such circumstances, my Government would be disposed to put into effect, on and after January 1, 1948, the tariff concessions negotiated with the United States of America, which appear in the aforesaid General Agreement.

Bearing in mind the terms of Your Excellency's note, I can assure you that my country's Government will put into effect, from January 1, 1948, the tariff concessions made by it in the General Agreement, which are of paramount interest to the United States of America, and that it will generally apply the clauses of the Exclusive Agreement referred to in Your Excellency's note, on an entirely provisional basis, subject to approval of the General Agreement, the Exclusive Agreement, and any other negotiation relating thereto, by the Senate of the Republic.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest and most distinguished consideration,

GMO BELT

His Excellency

ROBERT A. LOVETT,  
*Acting Secretary of State,  
Washington, D.C.*