CUBAN LUMBER TAX

Note by the United States Delegation

The United States Delegation wishes to call the attention of the CONTRACTING PARTIES to a matter which it believes may justify consideration by the Ad Hoc Committee between the Seventh and Eighth Sessions.

In March 1946, the Cuban Government by Presidential Decree instituted a tax of 9 per cent on sales of lumber. No action was in fact instituted under the Decree until May 3, 1949, when collection of the sales tax was ordered on imported lumber alone. The tax was not imposed on domestic lumber, and the exemption for sales of domestic lumber was formally confirmed on December 2, 1949. The United States Government is of the view that this tax as now applied is in violation of Article III of the General Agreement. Since May 1949, the United States Government has made a number of representations to the Cuban Government but without effect. The United States Government hopes that its latest representation to the Cuban Government will produce results which will make it unnecessary for the CONTRACTING PARTIES to have to consider the case.