

No. 472

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**UNITED STATES OF AMERICA  
and  
FRANCE**

**Exchange of notes constituting an agreement relating to the application of most-favoured-nation treatment to the merchandise trade of certain areas under occupation or control. Paris, 28 June 1948**

*English and French official texts communicated by the Permanent Representative of the United States of America at the seat of the United Nations. The registration took place on 2 June 1949.*

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**ETATS-UNIS D'AMERIQUE  
et  
FRANCE**

**Echange de notes constituant un accord relatif à l'application du traitement de la nation la plus favorisée aux échanges commerciaux de certaines régions soumises à occupation ou contrôle. Paris, 28 juin 1948**

*Textes officiels anglais et français communiqués par le représentant permanent des Etats-Unis d'Amérique au siège de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 2 juin 1949.*

No. 472. EXCHANGE OF NOTES<sup>1</sup> CONSTITUTING AN AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND FRANCE RELATING TO THE APPLICATION OF MOST-FAVOURLED-NATION TREATMENT TO THE MERCHANDISE TRADE OF CERTAIN AREAS UNDER OCCUPATION OR CONTROL. PARIS, 28 JUNE 1948

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*The American Ambassador to the French Minister for Foreign Affairs*

No. 460

Paris, June 28, 1948

Excellency,

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the territorial application of commercial arrangements between the United States of America and the French Republic and to confirm the understanding reached as a result of these conversations as follows:

1. For such time as either the Government of the United States of America or the Government of the French Republic participates in the occupation of any areas in Western Germany or the Free Territory of Trieste, the other Government will apply to the merchandise trade of such area the provisions of the General Agreement on Tariffs and Trade, dated October 30, 1947,<sup>2</sup> as now or hereafter amended, relating to most-favored-nation treatment.

2. The undertaking in point 1, above, will apply on the part of the Government of the United States of America or the Government of the French Republic to the merchandise trade of any area referred to therein only for such time and to such extent as such area accords reciprocal most-favored-nation treatment to the merchandise trade of the United States of America or the French Republic, respectively.

3. The undertakings in points 1 and 2, above, are entered into in the light of the absence at the present time of effective or significant tariff barriers to

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<sup>1</sup> Came into force on 28 June 1948, by the exchange of the said notes.

<sup>2</sup> United Nations Publications, 1947.II.10.

imports into the areas herein concerned. In the event that such tariff barriers are imposed, it is understood that such undertakings shall be without prejudice to the application of the principles set forth in the Havana Charter for an International Trade Organization<sup>1</sup> relating to the reduction of tariffs on a mutually advantageous basis.

4. It is recognized that the absence of a uniform rate of exchange for the currency of the areas in Western Germany, referred to in point 1 above, may have the effect of indirectly subsidizing the exports of such areas to an extent which it would be difficult to calculate exactly. So long as such a condition exists, and if consultation with the Government of the United States of America fails to reach an agreed solution to the problem, it is understood that it would not be inconsistent with the undertaking in point 1 for the Government of France to levy a countervailing duty on imports of such goods equivalent to the estimated amount of such subsidization, where the Government of France determines that the subsidization is such as to cause or threaten material injury to an established domestic industry or is such as to prevent or materially retard the establishment of a domestic industry.

5. The undertakings in this note shall remain in force until January 1, 1951, and unless at least six months before January 1, 1951, either Government shall have given notice in writing to the other of intention to terminate these undertakings on that date, they shall remain in force thereafter until the expiration of six months from the date on which such notice shall have been given.

Please accept, Excellency, the renewed assurances of my highest consideration.

Jefferson CAFFERY

His Excellency Mr. Georges Bidault  
Minister for Foreign Affairs  
Paris

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<sup>1</sup> United Nations Publications, 1948.II.D.4.

## II

*Le Ministre des affaires étrangères de France à l'Ambassadeur des  
Etats-Unis d'Amérique*

TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>

LIBERTY — EQUALITY — FRATERNITY

FRENCH REPUBLIC

MINISTRY OF FOREIGN AFFAIRS

Office of Economic and Financial Affairs

Paris, June 28, 1948

Mr. Ambassador:

Referring to the conversations which have recently taken place between our two Governments relating to the territorial application of commercial arrangements between France and the United States of America, I have the honor to confirm the agreement reached as a result of the conversations as follows:

[See note II, page 116]

Please accept, Mr. Ambassador, the assurances of my highest consideration.

G. BIDAULT

His Excellency  
The Honorable Jefferson Caffery  
Ambassador of the United States of America  
Paris

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<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des Etats-Unis d'Amérique.