

No. 475

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**UNITED STATES OF AMERICA  
and  
PORTUGAL**

**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. Lisbon, 28 September 1948**

*English and Portuguese 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  
PORTUGAL**

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

*Textes officiels anglais et portugais 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. 475. EXCHANGE OF NOTES<sup>1</sup> CONSTITUTING AN AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND PORTUGAL RELATING TO THE APPLICATION OF MOST-FAVOURLED-NATION TREATMENT TO THE MERCHANDISE TRADE OF CERTAIN AREAS UNDER OCCUPATION OR CONTROL. LISBON, 28 SEPTEMBER 1948

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I

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

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 Portugal and to confirm the understanding reached as a result of these conversations as follows:

1. For such time as the Government of the United States of America participates in the occupation or control of any areas in western Germany and the Free Territory of Trieste, the Government of Portugal will apply to the merchandise trade of such area the provisions relating to the most-favored-nation treatment of the merchandise trade of the United States of America set forth in the Commercial Agreement signed June 28, 1910,<sup>2</sup> or for such time as the Governments of the United States of America and Portugal may both be contracting parties to the General Agreement on Tariffs and Trade, dated October 30, 1947,<sup>3</sup> the provisions of that Agreement, as now or hereafter amended, relating to the most-favored-nation treatment of such trade. It is understood that the undertaking in this paragraph relating to the application of the most-favored-nation provisions of the Commercial Agreement shall be subject to the exceptions recognized in the General Agreement on Tariffs and Trade permitting departures from the application of most-favored-nation treatment; provided that nothing in this sentence shall be construed to require compliance with the procedures specified in the General Agreement with regard to the application of such exceptions.

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

<sup>2</sup> United States of America, *Treaty Series*, 514½; *1910 Foreign Relations*, 828.

<sup>3</sup> United Nations Publications, 1947.II.10.

2. The undertaking in point 1, above, will apply 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 Portugal.

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 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 Portugal to levy a countervailing duty on import of such goods equivalent to the estimated amount of such subsidization, where the Government of Portugal 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.

Lincoln MACVEAGH

Lisbon, September 28, 1948.

His Excellency Dr. José Caeiro da Matta  
Minister for Foreign Affairs  
Lisbon

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

## II

*Le Ministre des affaires étrangères du Portugal à l'Ambassadeur des  
Etats-Unis d'Amérique*

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

MINISTRY OF FOREIGN AFFAIRS

MINISTÈRE DES AFFAIRES ÉTRANGÈRES

Lisbon, September 28, 1948

Lisbonne, le 28 septembre 1948

Mr. Ambassador:

Monsieur l'Ambassadeur,

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

Je me permets de me référer aux récentes conversations entre les représentants de nos gouvernements respectifs au sujet de l'application territoriale des accords commerciaux entre les États-Unis d'Amérique et le Portugal, et de confirmer dans les termes suivants l'arrangement auquel ces conversations ont abouti:

[See note I]

[Voir note I]

I avail myself of the opportunity to renew to Your Excellency, Mr. Ambassador, the assurances of my highest consideration.

Veillez agréer, Monsieur l'Ambassadeur, les assurances renouvelées de ma très haute considération.

José CAEIRO DA MATTA

José CAEIRO DA MATTA

His Excellency Lincoln MacVeagh

Son Excellence Monsieur Lincoln MacVeagh

Ambassador of the United States of America  
at Lisbon, Portugal  
etc., etc., etc.

Ambassadeur des Etats-Unis d'Amérique  
à Lisbonne (Portugal)  
etc., etc., etc.

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

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