

No. 490

**UNITED STATES OF AMERICA
and
NETHERLANDS**

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. The Hague, 2 July 1948

English official text communicated by the Permanent Representative of the United States of America at the seat of the United Nations. The registration took place on 7 July 1949.

**ETATS-UNIS D'AMERIQUE
et
PAYS-BAS**

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. La Haye, 2 juillet 1948

Texte officiel anglais communiqué par le représentant permanent des Etats-Unis d'Amérique au siège des Nations Unies. L'enregistrement a eu lieu le 7 juillet 1949.

No. 490. EXCHANGE OF NOTES¹ CONSTITUTING AN AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND THE NETHERLANDS RELATING TO THE APPLICATION OF MOST-FAVOURLED-NATION TREATMENT TO THE MERCHANDISE TRADE OF CERTAIN AREAS UNDER OCCUPATION OR CONTROL. THE HAGUE, 2 JULY 1948

I

*The American Ambassador to the Netherlands Minister of
Foreign Affairs*

The Hague, July 2, 1948

Sir:

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 Kingdom of the Netherlands 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, the Free Territory of Trieste, the Government of the Netherlands will apply to the merchandise trade of such area the provisions of the General Agreement on Tariffs and Trade, dated October 30, 1947,² as now or hereafter amended, relating to most-favored-nation treatment.

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 the Netherlands.

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

¹ Came into force on 2 July 1948, by the exchange of the said notes.

² United Nations Publications, 1947.II.10.

prejudice to the application of the principles set forth in the Havana Charter for an International Trade Organization¹ 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 the Netherlands to levy a countervailing duty on imports of such goods equivalent to the estimated amount of such subsidization, where the Government of the Netherlands 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.

Herman Benjamin BARUCH

His Excellency
Baron C. G. W. H. van Boetzelaer van Oosterhout
Minister of Foreign Affairs
The Hague

¹ United Nations Publications, 1948.II.D.4.

II

*The Netherlands Minister of Foreign Affairs to the
American Ambassador*

The Hague, July 2, 1948

Sir,

I have the honour to acknowledge the receipt of your Excellency's Note of to-day's date, reading as follows:

[*See note I*]

I have the honour to inform your Excellency that the Netherlands Government agree with the contents of the above Note.

I avail myself of this opportunity to renew to your Excellency the assurances of my highest consideration.

B. V. BOETZELAER

His Excellency Dr. Herman B. Baruch
Ambassador Extraordinary and Plenipotentiary
of the United States of America
The Hague
