

No. 491

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**UNITED STATES OF AMERICA**  
**and**  
**LUXEMBOURG**

**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. Luxembourg, 3 July 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 7 July 1949.*

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

**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. Luxembourg, 3 juillet 1948**

*Textes officiels anglais et français communiqués par le représentant permanent des États-Unis d'Amérique au siège de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 7 juillet 1949.*

No. 491. EXCHANGE OF NOTES<sup>1</sup> CONSTITUTING AN AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND LUXEMBOURG RELATING TO THE APPLICATION OF MOST-FAVOURLED-NATION TREATMENT TO THE MERCHANDISE TRADE OF CERTAIN AREAS UNDER OCCUPATION OR CONTROL. LUXEMBOURG, 3 JULY 1948

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*The American Chargé d'Affaires ad interim to the Luxembourg Minister of Foreign Affairs*

No. 30

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 Grand Duchy of Luxembourg 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 in the Free Territory of Trieste, the Government of Luxembourg 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 one 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 Luxembourg.

3. The undertakings in points one and two 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

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<sup>1</sup> Came into force on 3 July 1948, by the exchange of the said notes.

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

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

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration.

George P. WALLER

Luxembourg, July 3, 1948

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