

**UNITED STATES OF AMERICA
and
ITALY**

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. Rome, 28 June 1948

English and Italian official texts communicated by the Acting United States Representative at the seat of the United Nations. The registration took place on 19 January 1949.

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

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

Textes officiels anglais et italien communiqués par le représentant par intérim des Etats-Unis au siège de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 19 janvier 1949.

No. 356. EXCHANGE OF NOTES¹ CONSTITUTING AN AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ITALY RELATING TO THE APPLICATION OF MOST-FAVoured-NATION TREATMENT TO THE MERCHANDISE TRADE OF CERTAIN AREAS UNDER OCCUPATION OR CONTROL. ROME, 28 JUNE 1948

I

The American Ambassador to the Italian Minister of Foreign Affairs

F. O. No. 1445

Rome, 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 Italy 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, Japan or Southern Korea, the Government of Italy will apply to the merchandise trade of such areas the provisions relating to the most-favored-nation treatment of the merchandise trade of the United States of America set forth in the Treaty of Friendship, Commerce and Navigation, signed February 2, 1948² and, pending the entry into force of such Treaty, in the exchange of Notes on commercial policy of August 14, 1947,³ or, for such time as the Governments of the United States of America and Italy may both be contracting parties to the General Agreement on Tariffs and Trade, dated October 30, 1947,⁴ 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 Treaty of Friendship, Commerce and Navigation shall be subject to the

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

² Not printed by the Department of State of the United States of America.

³ United States of America, *Treaties and Other International Acts Series*, 1757.

⁴ United Nations Publications, 1947.II.10.

exceptions recognized in the general agreement on tariffs and trade permitting departures from the application of most-favored-nation treatment, and that the undertaking relating to the exchange of notes on commercial policy shall be subject to such exceptions and to the exceptions recognized in the Treaty of Friendship, Commerce and Navigation; 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 the exceptions in the general agreement.

2. The undertaking in point 1 above will apply to the 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 Italy.

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 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, Japan or Southern Korea 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 Italy to levy a countervailing duty on imports of such goods equivalent to the estimated amount of such subsidization, where the Government of Italy determines that the subsidization is such as to cause or to 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.

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

Accept, Excellency, the renewed assurances of my highest consideration.

James Clement DUNN

His Excellency Count Carlo Sforza
Minister of Foreign Affairs
Rome

II

The Italian Minister of Foreign Affairs to the American Ambassador

ITALIAN TEXT—TEXTE ITALIEN
IL MINISTRO DEGLI AFFARI ESTERI

Roma, 28 Giugno 1948

Eccellenza,

Con lettera in data odierna V. E. ha voluto comunicarmi quanto segue:

[See note I]

Ho l'onore di informar La che il Governo italiano è d'accordo su quanto precede.

Mi è grata l'occasione, Eccellenza, per rinnovarLe l'espressione della mia più alta considerazione.

SFORZA

A. S. E. James Clement Dunn
Ambasciatore degli Stati Uniti
d'America
Roma

TRANSLATION¹—TRADUCTION²
THE MINISTRY OF FOREIGN AFFAIRS

Rome, June 28, 1948

Excellency:

In a letter dated today Your Excellency was so good as to communicate to me the following:

[See note I]

I have the honor to inform you that the Italian Government is in accord with the foregoing.

I welcome the occasion, Excellency, to renew to you the assurances of my highest consideration.

SFORZA

His Excellency James Clement Dunn
Ambassador of the United States of
America
Rome

¹Translation by the Government of the United States of America.

²Traduction du Gouvernement des Etats-Unis d'Amérique.