

No. 357

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**UNITED STATES OF AMERICA  
and  
AUSTRIA**

**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. Vienna, 2 July 1948**

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

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

**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. Vienne, 2 juillet 1948**

*Texte officiel anglais communiqué 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. 357. EXCHANGE OF NOTES<sup>1</sup> CONSTITUTING AN AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND AUSTRIA RELATING TO THE APPLICATION OF MOST-FAVORED-NATION TREATMENT TO THE MERCHANDISE TRADE OF CERTAIN AREAS UNDER OCCUPATION OR CONTROL. VIENNA, 2 JULY 1948

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I

*The American Minister to the Austrian Minister of Foreign Affairs*

AMERICAN LEGATION

No. 56

Vienna, Austria, 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 Austria 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, Japan or Southern Korea, the Government of Austria 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 Treaty of Friendship, Commerce and Consular Rights, signed at Vienna, June 19, 1928,<sup>2</sup> and agreement supplemental thereto signed at Vienna, June 20, 1931,<sup>2</sup> or, for such time as the Governments of the United States of America and Austria 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 Treaty of Friendship, Commerce and Consular Rights and agreement supplemental thereto shall be subject to the exceptions recognized in the General Agreement on Tariffs

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

<sup>2</sup> League of Nations, *Treaty Series*, Volume CXVIII, page 241.

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

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.

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 Austria.

3. The undertakings in points one and two above are entered into in the light of the absence at the present time of effective 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, Japan or Southern Korea referred to in point one 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 one for the Government of Austria to levy a countervailing duty on imports of such goods equivalent to the estimated amount of such subsidization, where the Government of Austria 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.

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

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

John G. ERHARDT

The Honorable Karl Gruber  
Minister of Foreign Affairs  
Vienna

## II

*The Austrian Minister of Foreign Affairs to the American Minister*

DER BUNDESMINISTER  
FÜR DIE AUSWÄRTIGEN ANGELEGENHEITEN

Vienna, July 2nd, 1948

Sir:

I have the honour 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 Austria and to confirm the understanding reached as a result of these conversations as follows:

[See note I]

Accept, Sir, the assurance of my highest consideration.

GRÜBER

Mr. John G. Erhardt  
Envoy Extraordinary and Minister Plenipotentiary  
of the United States of America  
Vienna