

No. 396

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**UNITED STATES OF AMERICA  
and  
DENMARK**

**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. Copenhagen, 29 June 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 1 April 1949.*

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

**Echange de notes constituant un accord relatif à l'application du traitement de la nation la plus favorisée aux échanges commerciaux de certaines régions soumises à occupation ou contrôle. Copenhague, 29 juin 1948**

*Texte officiel anglais communiqué par le représentant permanent des Etats-Unis d'Amérique au siège de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 1er avril 1949.*

No. 396. EXCHANGE OF NOTES<sup>1</sup> CONSTITUTING AN AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND DENMARK RELATING TO THE APPLICATION OF MOST-FAVOURLED-NATION TREATMENT TO THE MERCHANDISE TRADE OF CERTAIN AREAS UNDER OCCUPATION OR CONTROL. COPENHAGEN, 29 JUNE 1948

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I

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

AMERICAN EMBASSY

No. 179

Copenhagen, June 29, 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 Denmark and have the honor 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 or the Free Territory of Trieste, the Government of Denmark 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 General Convention of Friendship, Commerce and Navigation signed April 26, 1826,<sup>2</sup> as amended by the Convention of April 11, 1857,<sup>3</sup> or, for such time as the Governments of the United States of America and Denmark may both be contracting parties to the General Agreement on Tariffs and Trade, dated October 30, 1947<sup>4</sup> the provisions of that Agreement, as now or hereafter amended, relating to the most-favored-nation treatment of such trade.

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<sup>1</sup> Came into force on 2 July 1948, by notification of ratification thereof given to the Government of the United States of America by the Government of Denmark, in accordance with paragraph 5 of the said notes.

<sup>2</sup> De Martens, *Nouveau Recueil de Traités*, Tome VI, second part, page 919.

<sup>3</sup> De Martens, *Nouveau Recueil général de Traités*, Tome XVIII, Part I, page 210.

<sup>4</sup> United Nations, 1947.II.10, Volumes I-IV.

It is understood that the undertaking in this paragraph relating to the application of the most-favored-nation provisions of the General Convention of Friendship, Commerce and Navigation 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.

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 Denmark.

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 area in western Germany referred to in point 1 above may have the effect of indirectly subsidizing the exports of such area 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 Denmark to levy a countervailing duty on imports of such goods equivalent to the estimated amount of such subsidization, where the Government of Denmark 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 will enter into force on the day on which the Government of Denmark notifies the Government of the United States of America that this note has been ratified and 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

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

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.

Josiah MARVEL Jr.

His Excellency Gustav Rasmussen  
Royal Minister for Foreign Affairs  
Copenhagen

## II

### *The Danish Minister for Foreign Affairs to the American Ambassador*

UDENRIGSMINISTERIET

O. P. I. Journal Nr. 73. D. 139.

Copenhagen, June 29, 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 Denmark and the United States of America and have the honour to confirm, subject to ratification, the understanding reached as a result of these conversations as follows:

[*See note I*]

Please accept, Excellency, the renewed assurances of my highest consideration.

Gustav RASMUSSEN

His Excellency  
Ambassador Josiah M. Marvel, Jr.  
The Embassy of the United States of America  
Copenhagen