

No. 397

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**UNITED STATES OF AMERICA  
and  
BELGIUM**

**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. Brussels, 2 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 1 April 1949.*

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

**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. Bruxelles, 2 juillet 1948**

*Textes officiels anglais et français communiqués 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. 397. EXCHANGE OF NOTES<sup>1</sup> CONSTITUTING AN AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND BELGIUM RELATING TO THE APPLICATION OF MOST-FAVOURLED-NATION TREATMENT TO THE MERCHANDISE TRADE OF CERTAIN AREAS UNDER MILITARY OCCUPATION OR CONTROL. BRUSSELS, 2 JULY 1948

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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 Kingdom of Belgium 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 Belgium 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 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 Belgium.

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>3</sup> relating to the reduction of tariffs on a mutually advantageous basis.

4. It is recognised 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

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

<sup>2</sup> United Nations, 1947.II.10, Volumes I-IV.

<sup>3</sup> United Nations, 1948.II.D.4.

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

Alan G. Kirk<sup>1</sup>

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<sup>1</sup> Signed at Brussels July 2, 1948, at the time of the signing of the Economic Cooperation Agreement between the United States of America and Belgium. (United Nations, *Treaty Series*, Volume 19, page 127.)