

No. 1125

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**UNITED STATES OF AMERICA  
and  
FRANCE**

**Declaration constituting an agreement on commercial policy  
and related matters. Signed at Washington, on 28 May  
1946**

*Official texts: English and French.*

*Registered by the United States of America on 2 April 1951.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
FRANCE**

**Déclaration constituant un accord sur la politique commer-  
ciale et diverses questions annexes. Signée à Washington,  
le 28 mai 1946**

*Textes officiels anglais et français.*

*Enregistrée par les États-Unis d'Amérique le 2 avril 1951.*

No. 1125. DECLARATION BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE PROVISIONAL GOVERNMENT OF THE FRENCH REPUBLIC CONSTITUTING AN AGREEMENT<sup>1</sup> ON COMMERCIAL POLICY AND RELATED MATTERS. SIGNED AT WASHINGTON, ON 28 MAY 1946

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The Government of the United States of America and the Provisional Government of the French Republic, having concluded comprehensive discussions on commercial policy and related matters, find themselves in full agreement on the general principles which they desire to see established to achieve the liberation and expansion of international trade, which they deem to be essential to the realization of world-wide prosperity and lasting peace.

The French Government has made known to the United States Government the measures which it has taken and intends to take to make possible the attainment of this common objective. The French Government has also made known to the United States Government its plan for the reconstruction and modernization of the French economy. In accordance with the letters exchanged on November 8, 1945, the two Governments have examined this plan and have agreed that the attainment of its objectives should make possible full participation by France in the cooperative achievement of an expanding world economy.

The two Governments have studied the problems involved in the construction of a general framework for world trade and have also examined a number of specific questions relating to commercial policy and other matters which are of interest to themselves and to other countries. The following joint statement by the two Governments summarizes the understandings reached in these discussions.

I

The two Governments are in complete agreement, at all important points, on the principles expressed in the "Proposals for Consideration by an International Conference on Trade and Employment" submitted to the French Government by the Government of the United States. They have therefore resolved to continue discussions between themselves and with other like-minded countries in order to give effect to these principles in the Charter of the proposed International Trade Organization. The two Governments are

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<sup>1</sup> Came into force on 28 May 1946, by signature.

of the opinion that the prior conclusion of agreements among the major trading nations of the world for the substantial reduction of tariffs and other barriers to trade and for the removal of discriminatory arrangements would contribute greatly to the success of the World Conference.

## II

The French Government has advised the United States Government of the following policies :

(a) A new French tariff is being prepared which will contain *ad valorem* duties only and which will not increase the degree of protection over the level which existed prior to the war. This new tariff will serve as the level from which reciprocal reductions will be negotiated in the forthcoming multilateral conference.

(b) France has definitely abandoned its pre-war policy of protecting French producers with import quotas.

(c) The French Government has reiterated that it has abandoned the price equalization (perequation) procedure which it was compelled to use provisionally during the period prior to the revaluation of the franc in order to facilitate exports.

## III

The French Government has made clear that it must maintain import controls within the framework of an import program but that it will maintain such controls only so long as they are necessary to safeguard the equilibrium of its balance of payments and to achieve in an orderly way its plan of reconstruction and modernization. The French Government will administer the issuance of import licenses under the French import program without discrimination as among foreign sources of supply as soon as France possesses, or is able to earn, sufficient free foreign exchange so that it is no longer necessary for her to make her purchases within the limits of bilateral trade and financial arrangements.

## IV

The two Governments have reached a mutually satisfactory understanding on the return to private channels of trade between France and the United States. The French Government has already restored to private channels a large part of the import trade of France and its colonies, and will continue to curtail the foreign procurement activities of the Government.

French Government procurement in the United States will be limited to equipment for public corporations and agencies. For the time being, Govern-

ment procurement will also be continued for a restricted list of items, such as short supply foodstuffs, steel, lumber, tires and certain medical supplies.

Temporarily, a part of French imports will be handled by associations of private traders (*groupements*) until the difficulties of loading, shipment, and transport of essential supplies and their distribution in France are overcome.

The French Supply Council in the United States will continue to operate on a reduced scale, engaging principally in the liquidation of outstanding contracts and governmental procurement as indicated above. It will limit its purchases to the satisfaction of essential civilian requirements; it will make the maximum practicable use of normal trade channels; it will pursue methods consistent with commercial practices and it will cease operations as soon as possible.

## V

The two Governments have agreed that important benefits would accrue to both countries from a substantial expansion of French exports to the United States. They have discussed certain United States laws and regulations, which, in the opinion of the French Government, tend to hamper unduly the importation of French products into the United States. Special attention has been given to trade mark and copyright legislation, the use of geographic names related to particular products, price control of imported goods, and valuation of imported goods for the assessment of customs duties. The various agencies of the United States Government which are concerned with these matters have agreed to give careful and sympathetic consideration to the views of the French Government, and to study the possibility of altering their administrative procedures or recommending to the Congress the revision of existing legislation.

## VI

The two Governments have agreed, subject to participation in the program by other important industrial nations, each to license freely and without royalty to the nationals of the other, on conditions of reciprocity, all former German-owned patents which have come into the full possession of either Government, reserving only those rights which have already been granted with respect to such patents. The two Governments believe that the general adoption of this policy will eliminate an important barrier to international trade and will contribute substantially to the achievement of expanding world economy. In accordance with these objectives, they have agreed, at some future time, jointly to consider other questions relating to German patents.

## VII

The French Government will accord to American nationals who have suffered damage to their properties in France, through causes originating in the war, compensation equal to that payable to French nationals having the same types and extent of losses. The United States Government has informed the French Government that equality of treatment is accorded to French and American nationals with reference to war damages to property in the United States.

## VIII

In order to provide a sound framework for the expansion of mutually beneficial economic relations between their two countries, the Governments of France and the United States have agreed to begin negotiations as soon as possible looking toward the conclusion of a modern and comprehensive Treaty of Establishment, Commerce and Navigation.

DONE at Washington, in duplicate, in the English and French languages, this 28th day of May, 1946.

For the Government of the United States of America :  
James F. BYRNES

For the Provisional Government of the French Republic :  
Léon BLUM