

RECIPROCAL TRADE

*Agreement and exchanges of notes signed at Washington November 17, 1938*¹

Proclaimed by the President of the United States November 25, 1938

Ratified by the United Kingdom September 18, 1939

Proclamation and ratification exchanged at London November 24, 1939

Entered into force provisionally, with the exception of article XI and schedule III, on and after January 1, 1939; definitively December 24, 1939

*Declared inoperative as of January 1, 1948, by agreement of October 30, 1947,*² *for such time as the United States and the United Kingdom are both contracting parties to the General Agreement on Tariffs and Trade*³

*Terminated July 28, 1962, by agreement of June 27 and 28, 1962*⁴

54 Stat. 1897; Executive Agreement Series 164

AGREEMENT

The President of the United States of America and His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, in respect of Great Britain and Northern Ireland;

Desiring to grant reciprocal concessions and advantages in order to facilitate and extend mutual relations of trade and commerce;

Taking into account the absence of any restriction upon the settlement of commercial obligations arising out of such relations;

Have resolved to conclude a Trade Agreement and have appointed for this purpose as their Plenipotentiaries:

The President of the United States of America:

Mr. Cordell Hull, Secretary of State of the United States of America; and

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India:

¹ For schedules annexed to agreement, see 54 Stat. 1907 or p. 12 of EAS 164.

² TIAS 1706, *post*, p. 830.

³ TIAS 1700, *ante*, vol. 4, p. 639.

⁴ 13 UST 1786; TIAS 5124.

For Great Britain and Northern Ireland:

The Right Honorable Sir Ronald Charles Lindsay, G.C.M.G., K.C.B., C.V.O., his Ambassador Extraordinary and Plenipotentiary at Washington, and

Arnold Edersheim Overton, Esquire, C.M.G., M.C., a Second Secretary in his Board of Trade;

Who, having communicated to each other their full powers, found in good and due form, have agreed as follows:

ARTICLE I

The territories to which this Agreement shall apply are, on the part of the United States of America, the continental territory of the United States of America and such of its territories and possessions as are included in its customs territory on the day of the signature of this Agreement; and, on the part of His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India (hereinafter referred to as His Majesty the King), Great Britain and Northern Ireland, Newfoundland, the British non-self-governing Colonies, Protectorates and Protected States (except the High Commission Territories in South Africa, namely, Basutoland, Bechuanaland Protectorate and Swaziland, and excluding any territories in the region of the Persian Gulf) and the Mandated Territories of Palestine including Trans-Jordan, the Cameroons under British Mandate, Tanganyika Territory and Togoland under British Mandate. The provisions of this Agreement relating to most-favored-nation treatment shall apply, however, to all territories under the sovereignty or authority of the United States of America, other than the Panama Canal Zone.

ARTICLE II

1. Articles the growth, produce or manufacture of the territories of either High Contracting Party shall not be subjected, upon importation into the territories of the other, from whatever place arriving, to other or higher duties or charges of any kind or to any rules or formalities other or more burdensome than those to which the like articles the growth, produce or manufacture of any other foreign country are subject.

2. Articles exported from the territories of either High Contracting Party to the territories of the other shall not be subjected to other or higher duties or charges of any kind or to any rules or formalities other or more burdensome than those to which the like articles exported to any other foreign country are subject.

3. Any advantage, favor, privilege or immunity which has been or may hereafter be granted in the territories of either High Contracting Party in respect of any article originating in or destined for any other foreign country in regard to customs duties and other charges of any kind imposed on or in

connection with importation or exportation, to the method of levying such duties or charges, to all matters concerning the rules, formalities and charges imposed in connection with importation or exportation, and to all laws or regulations affecting the sale or use of imported goods within those territories, shall be accorded immediately and unconditionally in respect of the like article originating in or destined for the territories of the other High Contracting Party.

ARTICLE III

Articles the growth, produce or manufacture of the territories of either High Contracting Party shall, after importation into the territories of the other, be exempt from all internal taxes, fees, charges or exactions other or higher than those payable on or in connection with like articles of domestic or any other origin, except as otherwise required by laws in force on the day of the signature of this Agreement and subject, in the case of the United States of America, to the constitutional limitations on the authority of the Federal Government.

ARTICLE IV

1. No prohibition or restriction shall be imposed or maintained on the importation into the territories of either High Contracting Party of any article, from whatever place arriving, the growth, produce or manufacture of the territories of the other High Contracting Party, to which the importation of the like article the growth, produce or manufacture of any other foreign country is not similarly subject.

2. No prohibition or restriction shall be imposed or maintained on the exportation of any article from the territories of either High Contracting Party to the territories of the other, to which the exportation of the like article to any other foreign country is not similarly subject.

ARTICLE V

If imports of any article into any of the territories of either High Contracting Party should be regulated either as regards the total amount permitted to be imported or as regards the amount permitted to be imported at a specified rate of duty, and if shares are allocated to countries of export, the share allocated to the territories of the other High Contracting Party shall be based upon the proportion of the total imports of such article from all foreign countries supplied by the territories of that High Contracting Party in past years, account being taken in so far as practicable in appropriate cases of any special factors which may have affected or may be affecting the trade in that article. In those cases in which a territory of one of the High Contracting Parties is a relatively large supplier of any such article, the High Contracting Party imposing the regulation shall, whenever practicable, consult with the other High Contracting Party before the share to be allocated to such territory

is determined. If the share allocated should, otherwise than from temporary and unavoidable causes, fail to be supplied, the High Contracting Party imposing the regulation may, after due consultation with the other, adjust the allocation to meet the new situation thus created.

ARTICLE VI

All the provisions of this Agreement providing for most-favored-nation treatment shall be interpreted as meaning that such treatment shall be accorded immediately and unconditionally, without request or compensation.

ARTICLE VII

The provisions of this Agreement do not extend to favors which are or may hereafter be granted in the territories of either High Contracting Party

- (1) to facilitate frontier traffic with an adjoining country;
- (2) in virtue of a customs union which has already been, or may hereafter be, concluded with another country.

ARTICLE VIII

1. If either High Contracting Party should establish a monopoly for the importation into or the production or sale in the territories of that High Contracting Party of a particular article, or should grant exclusive privileges to one or more agencies for any of these purposes, or if either High Contracting Party should take measures to enable such a monopoly to be established or such exclusive privileges to be granted, the commerce of the territories of the other High Contracting Party shall receive fair and equitable treatment in respect of the foreign purchases of such monopoly or agency. To this end such monopoly or agency will, in making its foreign purchases of any article, be influenced solely by considerations, such as those of price, quality, marketability and terms of sale, which would ordinarily be taken into account by a private commercial enterprise interested solely in purchasing on the most favorable terms.

2. In awarding contracts for public works and in purchasing supplies, neither High Contracting Party shall discriminate against articles the growth, produce or manufacture of the territories of the other High Contracting Party in favor of those of any other foreign country.

ARTICLE IX

1. Articles the growth, produce or manufacture of the United States of America specified in Schedule I annexed to this Agreement ⁵ shall, on their importation into the United Kingdom of Great Britain and Northern Ire-

⁵ See footnote 1, p. 522.

land, from whatever place arriving, be accorded the treatment provided for in the said Schedule.

2. If, however, the Government of the United Kingdom is satisfied after inquiry (a) that any article the growth, produce or manufacture of the United States of America of the description specified in Schedule I is being imported and sold in the United Kingdom at less than the comparable price in the United States of America, due allowance being made for costs of transportation and other charges incidental to making delivery of the goods, or (b) that any such article imported into the United Kingdom is the subject of export bounties or subsidies in the United States of America, and that in consequence of the fulfilment of either of the foregoing conditions a trade or industry in the United Kingdom is or is likely to be injuriously affected; then, notwithstanding anything in paragraph 1 of this Article, the Government of the United Kingdom shall be at liberty, after consultation with the Government of the United States of America, in cases coming under (a) above, to take such measures as the two Governments may deem necessary and appropriate in order to act as an effective deterrent to the practice in question; and, in cases coming under (b) above, to impose such additional duties or charges on the article concerned as may be required to compensate for the bounty or subsidy.

3. Any measures taken under the preceding paragraph shall be withdrawn as soon as the circumstances which gave rise to their imposition have ceased to operate.

ARTICLE X

1. Articles the growth, produce or manufacture of the United States of America specified in Schedule II annexed to this Agreement shall, on their importation into Newfoundland, from whatever place arriving, be accorded the treatment provided for in the said Schedule.

2. If, however, the Government of Newfoundland is satisfied after inquiry (a) that any article the growth, produce or manufacture of the United States of America of the description specified in Schedule II is being imported and sold in Newfoundland at less than the comparable price in the United States of America, due allowance being made for costs of transportation and other charges incidental to making delivery of the goods, or (b) that any such article imported into Newfoundland is the subject of export bounties or subsidies in the United States of America, and that in consequence of the fulfilment of either of the foregoing conditions a trade or industry in Newfoundland is or is likely to be injuriously affected; then, notwithstanding anything in paragraph 1 of this Article, the Government of Newfoundland shall be at liberty, after consultation between the Government of the United Kingdom and the Government of the United States of America, in cases coming under (a) above, to take such measures as the Governments may deem necessary and appropriate in order to act as an effective deterrent to the

practice in question; and, in cases coming under (b) above, to impose such additional duties or charges on the article concerned as may be required to compensate for the bounty or subsidy.

3. Any measures taken under the preceding paragraph shall be withdrawn as soon as the circumstances which gave rise to their imposition have ceased to operate.

ARTICLE XI

Articles the growth, produce or manufacture of the United States of America specified in Schedule III annexed to this Agreement shall, on their importation into the territories named in the said Schedule in respect of which they are specified, from whatever place arriving, be accorded the treatment provided for in the said Schedule.

ARTICLE XII

Articles the growth, produce or manufacture of any of the territories to which this Agreement applies on the part of His Majesty the King, enumerated and described in Schedule IV annexed to this Agreement, shall, on their importation into the United States of America, from whatever place arriving, be exempt from ordinary customs duties other or higher than those set forth and provided for in the said Schedule IV, subject to the conditions therein set out. The said articles shall also be exempt from all other duties, taxes, fees, charges or exactions of any kind, imposed on or in connection with importation, in excess of those imposed on the day of the signature of this Agreement or required to be imposed thereafter under laws of the United States of America in force on the day of the signature of this Agreement.

ARTICLE XIII

The Schedules annexed to this Agreement, and the notes included in them, shall have force and effect as integral parts of the Agreement.

ARTICLE XIV

The provisions of Article IX, Article X, Article XI and Article XII of this Agreement shall not prevent the imposition at any time on the importation of any article of a charge equivalent to an internal tax imposed in respect of a like domestic article or in respect of a commodity from which the imported article has been produced or manufactured in whole or in part.

ARTICLE XV

1. No prohibition, restriction or any form of quantitative regulation, whether or not operated in connection with an agency of centralized control, shall be imposed or maintained in the United Kingdom or Newfoundland on the importation or sale of any article the growth, produce or manufacture of the United States of America specified in Schedules I or II, respectively,

or in any territory named in Schedule III on the importation or sale of any such article specified in that Schedule in respect of such territory; or in the United States of America on the importation or sale of any article the growth, produce or manufacture of any of the territories to which this Agreement applies on the part of His Majesty the King, enumerated and described in Schedule IV, except as otherwise expressly provided in the said Schedules I, II, III or IV, as the case may be.

2. The foregoing provision shall not apply to quantitative regulations, in whatever form, which may hereafter be imposed by either High Contracting Party on the importation or sale of any article the growth, produce or manufacture of the territories of the other, in conjunction with governmental measures or measures under governmental authority

(a) operating to regulate or control the production, market supply, quality or price of the like article of domestic growth, production or manufacture; or

(b) operating to increase the labor costs of production of the like article of domestic growth, production or manufacture;

Provided, however, that the High Contracting Party proposing to impose any such quantitative regulation is satisfied, in the case of measures described in subparagraph (a) of this paragraph that such quantitative regulation is necessary to secure the effective operation of such measures, and, in the case of measures described in subparagraph (b), that such measures are causing the domestic production of the article concerned to be injuriously affected by imports which constitute an abnormal proportion of the total consumption of such article in relation to the proportion supplied in the past by foreign countries.

3. Whenever either High Contracting Party proposes to impose or to effect a substantial alteration in any quantitative regulation authorized by the preceding paragraph, that High Contracting Party shall give notice in writing to that effect to the other and shall, upon request, enter into consultation regarding the matter. If agreement is not reached within thirty days after the receipt of the notice the High Contracting Party giving such notice shall be free to impose or alter the regulation at any time, and the other High Contracting Party shall be free within fifteen days after such action is taken to terminate this Agreement in its entirety on giving thirty days' notice in writing to that effect.

4. The provisions of paragraph 1 of this Article shall not apply to quantitative regulations, in whatever form, imposed by either High Contracting Party on the importation or sale of any article the growth, produce or manufacture of the territories of the other High Contracting Party, in connection with a multilateral agreement, binding both High Contracting Parties, designed to regulate or control the international marketing of such article.

ARTICLE XVI

1. The provisions of this Agreement shall not extend to prohibitions or restrictions

(a) imposed for the protection of public health or on moral or humanitarian grounds;

(b) imposed for the protection of animals or plants, including measures for protection against disease, degeneration or extinction as well as measures taken against harmful seeds, plants and animals;

(c) imposed by either High Contracting Party in pursuance of obligations under international agreements in force on the day of the signature of this Agreement by which that High Contracting Party is bound;

(d) relating to the importation or exportation of gold or silver;

(e) relating to the control of the traffic in arms, ammunition or implements of war, and, in exceptional circumstances, all other military supplies;

(f) relating to neutrality or to public security;

(g) imposed by either High Contracting Party should that Party be engaged in hostilities or war.

2. The provisions of Article XV shall not extend to prohibitions or restrictions.

(a) relating to prison-made goods;

(b) relating to the enforcement of police or revenue laws.

ARTICLE XVII

In respect of articles the growth, produce or manufacture of the United States of America specified in Schedules I or II, imported into the United Kingdom or Newfoundland, respectively, and of articles the growth, produce or manufacture of any of the territories to which this Agreement applies on the part of His Majesty the King, enumerated and described in Schedule IV, imported into the United States of America, on which ad valorem rates of duty, or duties based upon or regulated in any manner by value, are or may be assessed, the general principles on which dutiable value is determined in each of the importing territories, on the day of the signature of this Agreement, shall not be altered to the detriment of importers.

ARTICLE XVIII

If a wide variation should occur in the rate of exchange between the currencies of the United States of America and the United Kingdom, and if either High Contracting Party should consider the variation so substantial as to prejudice the industries or commerce of the territories of that High Contracting Party, such High Contracting Party shall be free to propose negotiations for the modification of this Agreement; and if agreement is not reached within thirty days after the receipt of such proposal, the High Contracting

Party making the proposal shall be free to terminate the Agreement in its entirety on giving thirty days' notice in writing to that effect.

ARTICLE XIX

Each High Contracting Party reserves the right to withdraw or to modify any concession granted in any territory of that High Contracting Party on any article enumerated and described, or specified, in any of the Schedules annexed to this Agreement, or to impose quantitative regulations on the importation of any such article into that territory if, as the result of the extension of such concession to other foreign countries, any such country obtains the major benefit of the concession, and if in consequence imports of the article concerned increase to such an extent as to threaten serious injury to producers in the territories of that High Contracting Party: Provided, That before any action authorized by this Article is taken, the High Contracting Party proposing to take such action shall give the other thirty days' notice thereof in writing and shall consult with that High Contracting Party concerning the proposed action.

ARTICLE XX

Should any measure be adopted in any territory of either High Contracting Party which, while not conflicting with the terms of this Agreement, appears to the other High Contracting Party to have the effect of nullifying or impairing any of the objects of the Agreement, the first High Contracting Party shall consider such representations and proposals as the other may make, with a view to effecting a mutually satisfactory adjustment of the matter.

ARTICLE XXI

Except as otherwise required by Article III of this Agreement or by any of the Schedules annexed hereto:

(a) Nothing in the Agreement shall entitle His Majesty the King to claim the benefit of any treatment, preference or privilege which may at any time be accorded exclusively by the United States of America, its territories or possessions or the Panama Canal Zone to one another or to the Republic of Cuba. The provisions of this subparagraph shall continue to apply in respect of any benefits now or hereafter accorded by the United States of America, its territories or possessions or the Panama Canal Zone to the Philippine Islands, irrespective of any change in the political status of the Philippine Islands.

(b) Nothing in the Agreement shall entitle the United States of America to claim the benefit of any treatment, preference or privilege which may at any time be in force exclusively between territories under the sovereignty of His Majesty the King or under His Majesty's protection or suzerainty; or of any special customs privileges which may be accorded in Palestine to articles

the growth, produce or manufacture of any State the territory of which in 1914 was wholly included in Asiatic Turkey or Arabia.

ARTICLE XXII

Nothing in this Agreement shall be deemed to affect the rights or obligations of either High Contracting Party under any treaty or other international instrument in force between them on the day of the signature of the Agreement.

ARTICLE XXIII

This Agreement shall be proclaimed by the President of the United States of America and shall be ratified by His Majesty the King. It shall enter definitively into force thirty days after the exchange of the instrument of ratification and a copy of the proclamation, which shall take place in London as soon as possible.

ARTICLE XXIV

Pending the definitive coming into force of this Agreement as provided in Article XXIII, the provisions thereof other than those of Article XI and of Schedule III shall be applied provisionally on and after January 1, 1939, subject to a right to terminate the provisional application of the Agreement pursuant to the provisions of paragraph 3 of Article XV and of Article XVIII. The provisional application of Article XI and of Schedule III shall be effected as to the several provisions thereof as soon as may be possible.

ARTICLE XXV

Subject to the provisions of paragraph 3 of Article XV and of Article XVIII, this Agreement shall remain in force until December 31, 1941, and, unless at least six months before December 31, 1941, either High Contracting Party shall have given notice in writing to the other of intention to terminate the Agreement on that date, it shall remain in force thereafter until the expiration of six months from the date on which such notice shall have been given.

In witness whereof the respective Plenipotentiaries have signed this Agreement and have affixed hereto their seals.

Done at the city of Washington, in duplicate, this seventeenth day of November, one thousand nine hundred and thirty-eight.

CORDELL HULL	[SEAL]
R. C. LINDSAY	[SEAL]
A. E. OVERTON	[SEAL]

[For schedules annexed to agreement, see 54 Stat. 1907 or p. 12 of EAS 164.]

EXCHANGES OF NOTES

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, November 17, 1938

EXCELLENCY:

I have the honor to propose that, in view of the importance of maintaining conditions favorable to the international exchange of goods, and in order to supplement those provisions of the Trade Agreement signed this day which relate to import and export duties and regulations, each of the High Contracting Parties to the Agreement shall give sympathetic consideration to any representations which the other may make with respect to questions concerning access to raw materials.

I have the honor to suggest that this note and Your Excellency's reply thereto accepting the above proposal shall be regarded as constituting an agreement in this sense.

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

CORDELL HULL

His Excellency

The Honorable Sir RONALD LINDSAY,
P.C., G.C.M.G., K.C.B., C.V.O.,
British Ambassador.

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, D.C., November 17th, 1938

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your Note of today's date proposing that, in view of the importance of maintaining conditions favourable to the international exchange of goods, and in order to supplement those provisions of the Trade Agreement signed this day which relate to import and export duties and regulations, each of the High Contracting Parties to the Agreement shall give sympathetic consideration to any representations which the other may make with respect to questions concerning access to raw materials.

I have the honour in accepting this proposal, to confirm that Your Ex-

cellency's Note together with this Note in reply shall be regarded as constituting an agreement in the above sense.

I have the honour to be, with the highest consideration, Sir,
Your Excellency's most obedient, humble servant,

R. C. LINDSAY

The Honourable CORDELL HULL,
Secretary of State of the United States,
Washington, D.C.

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, November 17, 1938

EXCELLENCY:

I have the honor to make the following statement of my understanding of the agreement reached, with reference to certain special duties, between the United States and United Kingdom Delegations in connection with the Trade Agreement signed this day.

These conversations have disclosed a mutual understanding that no anti-dumping duty, or new or additional duty to countervail the payment or bestowal of a bounty or grant, will be imposed on articles the growth, produce or manufacture of any of the territories to which the Trade Agreement applies, without the Government of the United Kingdom or the Government of the United States of America, as the case may be, first having given the other Government, through an informal notice, an opportunity to make representations with respect to the proposed duty. No decision to impose any such duty will be made within thirty days after the date of the informal notice, unless an earlier decision is required by law. Any representations submitted by either Government in response to such a notice will be carefully considered by the other Government.

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

CORDELL HULL

His Excellency

The Honorable Sir RONALD LINDSAY,
P.C., G.C.M.G., K.C.B., C.V.O.,
British Ambassador.

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, D.C., November 17th, 1938

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your Note of to-day's date containing a statement of Your Excellency's understanding of the agreement reached, with reference to certain special duties, between the United States and United Kingdom Delegations in connection with the Trade Agreement signed this day.

[For text of understanding, see second paragraph of U.S. note, above.]

I have the honour to confirm Your Excellency's understanding of the agreement thus reached.

I have the honour to be, with the highest consideration, Sir,
Your Excellency's most obedient, humble servant,

R. C. LINDSAY

The Honourable CORDELL HULL,
Secretary of State of the United States,
Washington, D.C.

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, November 17, 1938

EXCELLENCY:

I have the honor to inform you, with reference to the Trade Agreement signed this day, that the United States of America will, in the special circumstances, refrain from claiming under the provisions of the Agreement other than Article III or the Schedules any advantages now accorded or which may hereafter be accorded by any territories under the sovereignty of His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, or under His Majesty's protection or suzerainty, to which the Trade Agreement applies, to any territory under His Majesty's mandate which is administered as an integral portion of territory under His Majesty's sovereignty or protection or which is joined in a customs union with a territory under His Majesty's sovereignty or protection.

If any territories under His Majesty's sovereignty, protection or suzerainty to which the Agreement applies should become free, except in relation to the United States of America, to grant preferential tariff treatment to Palestine or Trans-Jordan, the Government of the United States will give sympathetic consideration to any requests addressed to it for consent to the granting of

preferential tariff treatment to particular articles of Palestine or Trans-Jordan origin.

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration:

CORDELL HULL

His Excellency

The Honorable Sir RONALD LINDSAY,
P.C., G.C.M.G., K.C.B., C.V.O.,
British Ambassador.

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, D.C., November 17th, 1938

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your Note of today's date informing me, with reference to the Trade Agreement signed this day, that the United States of America will, in the special circumstances, refrain from claiming under the provisions of the Agreement other than Article III or the Schedules any advantages now accorded or which may hereafter be accorded by any territories under the sovereignty of His Majesty the King or under His Majesty's protection or suzerainty, to which the Trade Agreement applies, to any territory under His Majesty's mandate which is administered as an integral portion of territory under His Majesty's sovereignty or protection or which is joined in a customs union with a territory under His Majesty's sovereignty or protection.

Your Excellency's Note further states that if any territories under His Majesty's sovereignty, protection or suzerainty to which the Agreement applies should become free, except in relation to the United States of America, to grant preferential tariff treatment to Palestine or Trans-Jordan, the Government of the United States will give sympathetic consideration to any request addressed to it for consent to the granting of preferential tariff treatment to particular articles of Palestine or Trans-Jordan origin.

I have taken note with pleasure of Your Excellency's communication in the above sense.

I have the honour to be, with the highest consideration, Sir,
Your Excellency's most obedient, humble servant,

R. C. LINDSAY

The Honourable CORDELL HULL,
Secretary of State of the United States,
Washington, D.C.

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, D.C., November 17th, 1938

YOUR EXCELLENCY,

I have the honour to refer to Article XI and Schedule III of the Trade Agreement signed this day, relative to the tariff concessions to be accorded to the United States of America by the territories listed in that Schedule; and, in order that the position regarding trade and commerce between the United States of America and certain territories under His Majesty's sovereignty, suzerainty, protection or mandate may be made clear, I have the honour to invite attention to the fact that the United States of America have, by virtue of various conventions and treaties, for many years enjoyed equality of tariff treatment with all other countries, including the United Kingdom, in the following territories among others:

Kenya
Uganda
Zanzibar
Nyasaland
Tanganyika Territory
The Cameroons under British Mandate
Togoland under British Mandate
Palestine and Trans-Jordan.

The United States of America have for many years also enjoyed equality of tariff treatment with the United Kingdom and other countries in Aden, Gibraltar, the Straits Settlements and Hong Kong, with the exception that in Gibraltar, the Straits Settlements and Hong Kong preferential tariff treatment is given to tobacco, liquors and wines and spirits. I am instructed to inform you that there is no present intention to extend preferential tariff treatment to additional products in these territories.

Imports from the United States of America into the territories mentioned in the above two paragraphs have amounted in recent years to more than a quarter of the total import trade of the United States of America into the colonies and into territories under His Majesty's suzerainty, protection or mandate.

I have the honour to be, with the highest consideration, Sir,

Your Excellency's most obedient, humble servant,

R. C. LINDSAY

The Honourable CORDELL HULL,
Secretary of State of the United States,
Washington, D.C.

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, November 17, 1938

EXCELLENCY:

I have the honor to acknowledge the receipt of your note of today's date setting out the position with regard to the tariff treatment which is accorded to goods of United States origin in certain territories under His Majesty's sovereignty, suzerainty, protection or mandate.

I note with pleasure Your Excellency's statement that there is no present intention of extending preferential tariff treatment to products in Aden, Gibraltar, the Straits Settlements and Hong Kong in addition to those mentioned in your note.

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

CORDELL HULL

His Excellency

The Honorable Sir RONALD LINDSAY,
P. C., G. C. M. G., K. C. B., C. V. O.,
British Ambassador.

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, D.C., November 17th, 1938

YOUR EXCELLENCY,

I have the honour to inform you that, as the result of conversations which have taken place in the course of the negotiation of the Trade Agreement signed this day, the Government of the United Kingdom will consult the parties to the International Rubber Regulation Agreement⁶ as to the possibility, subject to the main objects of the Agreement as set out in the Preamble thereto not being prejudiced, of amending the Agreement so as to permit the exportation of rubber planting material to countries not parties to it.

I have the honour to be, with the highest consideration, Sir,

Your Excellency's most obedient, humble servant,

R. C. LINDSAY

The Honourable CORDELL HULL,
Secretary of State of the United States,
Washington, D.C.

⁶ 171 *League of Nations Treaty Series* 203.

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, November 17, 1938

EXCELLENCY:

I have the honor to acknowledge the receipt of your note of today's date informing me that, as the result of conversations which have taken place in the course of the negotiation of the Trade Agreement signed this day, the Government of the United Kingdom will consult the parties to the International Rubber Regulation Agreement as to the possibility, subject to the main objects of the Agreement as set out in the Preamble thereto not being prejudiced, of amending the Agreement so as to permit the exportation of rubber planting material to countries not parties to it.

I have taken note with pleasure of Your Excellency's communication in the above sense.

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

CORDELL HULL

His Excellency

The Honorable Sir RONALD LINDSAY,
P.C., G.C.M.G., K.C.B., C.V.O.,
British Ambassador.

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, November 17, 1938

EXCELLENCY:

During the course of the negotiation of the Trade Agreement signed this day, it has been explained that the fruit growers of certain parts of the British Commonwealth of Nations, together with the United Kingdom producers, have for some time past cooperated in an organization called the Empire Fruits Council, which has made arrangements concerning the shipment of apples to the United Kingdom market from overseas, with the object of maintaining a stable and remunerative market in the interests of all concerned and of avoiding, so far as possible, temporary periods either of over-supply or of shortage. It is understood that British Empire producers of citrus fruits, are also represented on this Council.

It has been represented to me that the cooperation of the exporting interests in the United States, which is the only other major apple-exporting country, would be of great assistance in securing the orderly marketing of the apple crop and would be of no less benefit to them than to the other suppliers. I have the honor to inform you that the Government of the United States of America inclines to the view that it is in the general interest that the shipment

of apples to the United Kingdom market should be so planned as to avoid excessive variations in supplies and prices, and that it will call the attention of United States exporting interests to the desirability of their cooperating with the Empire Fruits Council in such arrangements as may be feasible to assure the orderly supply of apples to the United Kingdom market.

In the foregoing connection, your attention is invited to legislation in effect (Public No. 39, 73d. Congress, approved June 10, 1933⁷) which provides for the regulation of exports of apples (and pears) from the United States on the basis of grade or quality. Under this Act, the Department of Agriculture has issued regulations which require that all apples (and pears) shipped to foreign countries meet certain export standards. The effect of these regulations is to make large shipments of low-quality fruit to British or other foreign markets impossible.

I understand that up to the present no similar arrangements have been made for planning the shipment of citrus fruits to the United Kingdom market, but that certain British Empire producers have expressed a desire for some form of arrangement for the orderly marketing of citrus fruits in the United Kingdom, with a view to avoiding disturbances resulting from sudden fluctuations in supplies. I have the honor to inform you that, if the principal supplying countries (including foreign countries) should agree to cooperate in arrangements for the orderly supply of citrus fruits to the United Kingdom market, the Government of the United States of America would call the attention of United States exporters to the desirability of cooperating in any feasible arrangements to this end.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

CORDELL HULL

His Excellency

The Honorable Sir RONALD LINDSAY,
P.C., G.C.M.G., K.C.B., C.V.O.,
British Ambassador.

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, D.C., November 17th, 1938

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your Note of to-day's date concerning the marketing of apples and citrus fruits, and to confirm Your Excellency's understanding of the position as therein set out.

⁷ 48 Stat. 123.

I have taken note with pleasure of the information and assurances conveyed to me in Your Excellency's communication.

I have the honour to be, with the highest consideration, Sir,
Your Excellency's most obedient, humble servant,

R. C. LINDSAY

The Honourable CORDELL HULL,
*Secretary of State of the United States,
Washington, D.C.*

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, D.C., November 17, 1938

EXCELLENCY:

I have the honor to state, with reference to Article IV of the Trade Agreement signed this day, that in the event of the Government of the United Kingdom deciding to regulate, in connection with a recommendation of the International Beef Conference, imports of any type of beef or veal, including offals thereof, imported from the United States of America, the Government of the United States of America would not claim for such products any freedom from quantitative regulation to which a right would otherwise exist by virtue of the provisions of the said Article IV.

It is my understanding that the Government of the United Kingdom would not impose any regulation of imports in the circumstances described in the foregoing paragraph unless exports from the countries represented on the Conference were being regulated by the countries concerned in accordance with plans approved by the Government of the United Kingdom, and that before imposing such quantitative regulation the Government of the United Kingdom would consult with the Government of the United States of America regarding the proposed action.

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

CORDELL HULL

His Excellency

The Honorable Sir RONALD LINDSAY,
P.C., G.C.M.G., K.C.B., C.V.O.,
British Ambassador.

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, D.C., November 17th, 1938

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your Note of to-day's date informing me, with reference to Article IV of the Trade Agreement signed this day, that in the event of the Government of the United Kingdom deciding to regulate, in connexion with a recommendation of the International Beef Conference, imports of any type of beef or veal, including offals thereof, imported from the United States of America, the Government of the United States of America would not claim for such products any freedom from quantitative regulation to which a right would otherwise exist by virtue of the provisions of the said Article IV.

I have taken note with pleasure of Your Excellency's communication in the above sense, and have the honour to confirm your understanding that the Government of the United Kingdom would not impose any regulation of imports in the circumstances described in the foregoing paragraph unless exports from the countries represented on the Conference were being regulated by the countries concerned in accordance with plans approved by the Government of the United Kingdom, and that before imposing such quantitative regulation the Government of the United Kingdom would consult with the Government of the United States of America regarding the proposed action.

I have the honour to be, with the highest consideration, Sir,
Your Excellency's most obedient, humble servant,

R. C. LINDSAY

The Honourable CORDELL HULL,
Secretary of State of the United States,
Washington, D.C.

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, D.C., November 17th, 1938

YOUR EXCELLENCY,

With reference to the discussions which have taken place in connexion with the negotiation of the Trade Agreement signed this day concerning the

bases and methods of determining dutiable value in the United Kingdom and the United States of America and the desirability of removing, in so far as possible, any uncertainties in respect of these matters, I have to assure you that the Government of the United Kingdom will be ready to afford full opportunity to the Government of the United States for consultation between representatives of the two Governments concerning general problems of valuation as well as specific difficulties of application which may arise from time to time.

I should much appreciate hearing from you that the Government of the United States will likewise be ready to afford opportunity for such consultation.

I have the honour to be, with the highest consideration, Sir,
Your Excellency's most obedient, humble servant,

R. C. LINDSAY

The Honourable CORDELL HULL,
*Secretary of State of the United States,
Washington, D. C.*

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, November 17, 1938

EXCELLENCY:

I have the honor to acknowledge the receipt of your note of today's date in which reference is made to the discussions which have taken place in connection with the negotiation of the Trade Agreement signed this day concerning the bases and methods of determining dutiable value in the United Kingdom and the United States of America and the desirability of removing, in so far as possible, any uncertainties in respect of these matters.

You state that your Government will be ready to afford full opportunity for consultation between representatives of the two Governments concerning general problems of valuation as well as specific difficulties of application which may arise from time to time.

I have the honor to assure you that the Government of the United States will likewise be ready to afford full opportunity for consultation between representatives of the two Governments concerning these matters.

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

CORDELL HULL

His Excellency

The Honorable Sir RONALD LINDSAY,
P. C., G. C. M. G., K. C. B., C. V. O.,
British Ambassador.