

MOST-FAVORED-NATION TREATMENT FOR AREAS UNDER OCCUPATION OR CONTROL

Exchange of identical notes at Dublin June 28, 1948

Entered into force June 28, 1948

Expired in accordance with its terms

62 Stat. 2910; Treaties and Other
International Acts Series 1828

*The American Minister to the Minister of External Affairs*¹

No. 232

JUNE 28, 1948

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 Ireland 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 Ireland will extend to the merchandise trade of such areas the most favored nation treatment for the time being accorded to the merchandise trade of the United States of America. It is understood that the undertaking in this paragraph relating to the extension of most favored nation treatment shall be subject to the exceptions recognized in the General Agreement on Tariffs and Trade² 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

¹ An identical note, addressed to the American Minister, was signed by the Minister of External Affairs, Sean MacBride, on the same day, June 28, 1948, at the time of the signing of the Economic Cooperation Agreement between the United States and Ireland (TIAS 1788, *post*, p. 53).

² TIAS 1700, *ante*, vol. 4, p. 641.

as such area accords reciprocal most favored nation treatment to the merchandise trade of Ireland.

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 Organization³ 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 1, 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 of the problem, it is understood that it would not be inconsistent with the undertaking in point 1 for the Government of Ireland to levy a countervailing duty on imports of such goods equivalent to the estimated amount of such subsidization, where the Government of Ireland 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.

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

GEORGE A. GARRETT

His Excellency

SEAN MACBRIDE,

Minister for External Affairs

for the Government of Ireland,

Dublin.

³ Unperfected; for excerpts, see *A Decade of American Foreign Policy: Basic Documents, 1941-49* (S. Doc. 123, 81st Cong., 1st sess.), p. 391.