

RECIPROCAL TRADE

Exchange of notes at Port-au-Prince February 16 and 19, 1942, modifying agreement of March 28, 1935
Entered into force February 19, 1942
*Terminated March 24, 1944*¹

56 Stat. 1415; Executive Agreement Series 238

The Secretary of State for Foreign Affairs to the American Minister

[TRANSLATION]

DEPARTMENT OF STATE
FOR FOREIGN AFFAIRS
E.U.

PORT-AU-PRINCE, *February 16, 1942*

MR. MINISTER:

I have the honor to refer to the trade agreement signed on March 28, 1935 between Haiti and the United States,² and particularly to the provisions thereof setting forth the principle of unconditional most-favored-nation treatment as the basis of commercial relations between our two countries.

The Haitian Government adheres firmly to the principle of promoting the multilateral development of international trade on the unconditional most-favored-nation basis. However, as the Government of the United States is aware, there are special and unusual conditions affecting trade between Haiti and the Dominican Republic which arise out of their exceptional geographic situation. With a view to fostering closer economic relations between these two contiguous countries, a Treaty of Commerce between Haiti and the Dominican Republic was signed on August 26, 1941. This treaty provides, among other things, for reductions in Haitian customs duties on a specified list of products imported from the Dominican Republic, which reductions are intended to be applicable exclusively to the latter country.

In this connection I have the honor to refer to the contractual formula for tariff preferences to contiguous countries recommended by the Inter-American Financial and Economic Advisory Committee.

¹ By exchanges of notes at Port-au-Prince Feb. 15 and 19 and Sept. 9 and 16, 1944, the Governments of the United States and Haiti confirmed their understanding that the agreement of Feb. 16 and 19, 1942, terminated upon expiration of the commercial treaty of Aug. 26, 1941, between Haiti and the Dominican Republic.

² EAS 78, *ante*, p. 714.

In this recommendation, dated September 18, 1941, the Advisory Committee stated that any such tariff preferences, in order to be an instrument for sound promotion of trade, should be made effective through trade agreements embodying tariff reductions or exemptions; that the parties to such agreements should reserve the right to reduce or eliminate the customs duties on like imports from other countries; and that any such regional tariff preferences should not be permitted to stand in the way of any broad program of economic reconstruction involving the reduction of tariffs and the scaling down or elimination of tariff or other trade preferences with a view to the fullest possible development of international trade on a multilateral, unconditional, most-favored-nation basis.

I have the honor to inquire whether the Government of the United States, in the light of the foregoing considerations, will agree not to invoke the provisions of the first paragraph of article VII of the trade agreement, which permit it to claim the benefit of the tariff preferences to the Dominican Republic specifically enumerated in the Treaty of Commerce signed on August 26, 1941, which preferences are considered by my Government to meet the requirements of the aforementioned formula recommended by the Inter-American Financial and Economic Advisory Committee.

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

FOMBRUN

His Excellency

Mr. JOHN CAMPBELL WHITE,
*E. E. & Minister Plenipotentiary
of the United States of America,
Port-au-Prince.*

The American Minister to the Secretary of State for Foreign Affairs

LEGATION OF THE
UNITED STATES OF AMERICA
PORT-AU-PRINCE, HAITI, *February 19, 1942*

No. 359

EXCELLENCY:

I have the honor to acknowledge receipt of Your Excellency's note of February 16, 1942, in which you reiterate the adherence of your Government to the principle of promoting the multilateral development of international trade on the unconditional most-favored-nation basis and refer to the exclusive tariff reductions to the Dominican Republic specifically provided for in the Treaty of Commerce between Haiti and that country signed on August 26, 1941. In this connection you mention the contractual formula for tariff preferences to contiguous countries recommended on September 18, 1941, by the Inter-American Financial and Economic Advisory Committee,

and inquire whether, in view of the Committee's recommendation and considering the special and unusual conditions affecting trade between Haiti and the Dominican Republic, my Government would be willing to refrain from claiming, under the provisions of the trade agreement between our two countries of March 28, 1935, the benefit of the Tariff preferences to the Dominican Republic specifically provided for in the Treaty of Commerce.

I have the honor to inform Your Excellency that my Government, in view of the considerations set forth, agrees not to invoke the pertinent provisions of the trade agreement for the purpose of claiming the benefit of such tariff preferences.

Accept, Excellency, the renewed assurance of my high consideration.

J. C. WHITE

His Excellency

M. CHARLES FOMBRUN,
Secretary of State for Foreign Affairs,
Port-au-Prince.