

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

RESTRICTED

LIMITED B  
GATT/CP/17  
4 May 1949

ENGLISH  
ORIGINAL: FRENCH

---

Contracting Parties

CUSTOMS UNION BETWEEN FRANCE AND ITALY

Note by the Executive Secretary

The Executive Secretary has the honour to transmit to the Contracting Parties the following letter sent to him on 2 May 1949 by the Ministry of Foreign Affairs of the French Republic:

"As you are aware, a Customs Union Treaty between France and Italy was signed at Paris on 26 March 1949. The text provides, in principle, for the application of a common tariff by the two countries and the abolition of customs duties in their commercial exchanges within one year from the date of exchange of ratifications.

In the case of France, this exchange of ratifications is subject to the adoption by the French Parliament of a special law.

I have the honour to inform you, further to my letter of 12 April, that in accordance with the agreement reached with the Italian Government, the two Governments will not fail, at the appropriate time, to bring the treaty to the notice of the Contracting Parties to the General Agreement under the conditions stipulated therein.

For the information of the Contracting Parties, I am, however, sending you forthwith a few copies of the Customs Union Treaty signed on 26 March, 1949, and the Report of the proceedings of the Joint Franco-Italian Commission submitted on 22 January, 1949. You will also find enclosed some copies of the Final Report drawn up on 22 December 1947 by the Joint Franco-Italian Commission charged with the study of the draft proposals."

The text of the Customs Union Treaty is attached to the present note; a copy of the Report of the Joint Franco-Italian Commission drawn up on 22 December 1947, and a copy of the Report of the proceedings of the Joint Committee submitted on 22 January 1949, has been transmitted by the Secretariat to each Contracting Party.

---

TREATY FOR THE ESTABLISHMENT OF A CUSTOMS UNION  
BETWEEN FRANCE AND ITALY

Signed at Paris, 26 March, 1949

---

The President of the French Republic and the President of the Italian Republic,

Considering the declaration of 13 September, 1947, whereby the French and Italian Governments expressed their desire to study the material on the basis of which a Customs Union might be established between the two countries mainly with a view to reducing prime costs and selling prices, raising the standard of living and ensuring full employment;

And considering the favourable conclusions reached in its Report of 22nd December 1947, by the Joint Franco-Italian Commission charged with this study;

And considering the Protocol signed at Turin on 20 March 1948, whereby the two Governments adopted the said conclusions and signified their formal intention of establishing a Franco-Italian Customs Union;

And considering the Report dated 22 January 1949, drawn up by the Joint Franco-Italian Commission charged by the Turin Protocol to formulate the plan and the programme for the implementation of the said Union;

And considering the Final Act of the United Nations Conference on Trade and Employment of 24 March 1948, of which France and Italy are signatories, and Article 44 of the Havana Charter;

Have decided to promote the action necessary to establish a Customs Union regime between France and Italy, and have appointed as their Plenipotentiaries:

The President of the French Republic:

Mr. Robert SCHUMAN, Minister for Foreign Affairs;

The President of the Italian Republic:

Mr. Carlo SFORZA, Minister for Foreign Affairs;

who, having exchanged their full powers, found in good and due form, have agreed on the following provisions:

Article 1

A Customs Union is hereby constituted between Metropolitan France and the Departments of Algeria, of the one part, and Italy, of the other part.

TARIFF UNION

Article 2

Within one year from the date of entry into force of the present Treaty, a common customs tariff shall be brought into application on the external frontiers of the Union in accordance with uniform legislation and regulations to be subsequently established.

Article 3

From the date of application of this tariff, no customs duties shall be levied on the importation into any of the territories of the Union of national or nationalized goods originating in another territory of the Union.

As from the same date, no customs duties shall be levied on national or nationalized goods exported from any of the territories of the Union for importation into another territory of the Union.

Article 4

Pending the equalization of fiscal charges in the two countries, the goods referred to in the foregoing Article shall be entitled, in the exporting territory, to exemption from, or refund of, internal duties or charges levied on behalf of the State and shall remain liable in the importing territory to duties and charges other than customs duties.

Article 5

The apportionment of customs receipts between the two countries shall be regulated by a subsequent agreement.

ECONOMIC UNION

Article 6

As from the date of entry into force of the present Treaty, appropriate measures shall be taken to foster economic relations between France and Italy in such a way as eventually to achieve an Economic Union between the two countries.

Concurrently with the co-ordination of French and Italian legislation as provided under Article 15, paragraph 2, restrictions on the movement of goods and persons from one territory of the Union to another shall be progressively abolished.

Within two years of the date on which it takes up its functions, the body referred to in Article 9 shall make such proposals as it may deem expedient regarding the time-limit within which the Economic Union should be fully achieved, it being the desire of the two High Contracting Parties that this time-limit shall not exceed six years.

Article 7

As from the date of the entry into force of the present Treaty, and during the period referred to in Article 6, countervailing measures, especially duties established exceptionally and provisionally by either of the two Governments, may be applied to the goods referred to in Article 3.

The object of such measures shall be either to offset the difference in charges resulting from disparities between the two legislations until such time as the latter have been co-ordinated, or to regularize and mitigate the effects of the abolition of quantitative restrictions.

The total incidence of these measures shall be such that the protection resulting therefrom is less than that provided in respect of the same goods originating from third countries.

Article 8

The two Governments shall have the right to maintain monopolies established by them and at present in force.

CUSTOMS UNION COUNCIL

Article 9

A joint body to be known as the "Council of the Franco-Italian Customs Union" shall be set up within one month of the date of entry into force of the present Treaty.

Each State shall be represented thereon by a Delegate-General, a deputy Delegate-General and seven members chosen for their personal competence.

A joint administrative Secretariat shall be established, its members being appointed on the joint nomination of the two Delegates-General. The cost of maintaining the Secretariat shall be shared equally by the two Governments.

Article 10

The Council shall meet at regular intervals. Extraordinary sessions may be held at the request of either of the Delegates-General.

Each of the two Delegates-General shall preside over the Council in turn for a period of one year.

No formal business may be conducted by the Council unless there is a quorum of at least two-thirds of the members of each Delegation.

The Council shall draw up its own rules of procedure and determine the manner in which its proceedings shall be organized and conducted.

Article 11

The Council shall set up joint technical commissions to examine the various individual problems raised by the implementation of the Union.

Such commissions shall be placed under the authority of the Council, which shall determine their membership and powers.

The members of the commissions may be either representatives of the government departments of each of the two States, or experts appointed by the Governments, whether directly or on the nomination of the trade associations or trade unions.

Article 12

Each Delegate-General shall assign to the Delegation of the other country a representative responsible for liaison between the two Delegations. The said representative shall be appointed by his Government on the nomination of its Delegate-General.

Article 13

A permanent section of the Council comprising the two deputy Delegates-General, delegates nominated jointly by them and the two representatives referred to in the previous Article, shall meet at intervals to be fixed by the Council, and more frequently if the need arises. The Permanent Section may invite experts to attend its meetings.

Article 14

The Permanent Section shall examine and co-ordinate the work of the technical commissions and at each of the Council's sessions, it shall submit reports on the items on the agenda and where necessary, on any other questions to which it deems it advisable to draw the Council's attention.

Article 15

Whereas the power to take decisions and to execute them is reserved entirely for the respective Governments, the functions of the Council shall be as follows:

1. To prepare the tariff union and ensure its implementation within the time-limit laid down in Article 2.
2. To prepare the economic union and ensure its implementation.

To this end, the Council shall submit to both Governments on 1 October of each year, and in the first instance on 1 October 1949, a programme of measures to be taken during the ensuing

year, together with such texts as may need to be adopted to ensure its execution, with special reference to the co-ordination of agricultural, industrial, social, fiscal, monetary and customs legislation, and in general of all legislation having a bearing on economic affairs.

3. To make such proposals as it may deem expedient for the achievement, inter alia, of the following ends:
  - the fullest and most rational use of manpower with a view to raising the standard of living in both countries,
  - the development of the economic activity of each country in accordance with the best interests of the Union,
  - the adoption of measures for the development of trade between the two countries and with other countries.
4. To facilitate, promote and direct relations of every kind which the formation of the Customs Union is calculated to foster and develop between the government departments, public services and trade associations and trade unions of both countries.
5. To advise on measures referred to it by either of the two Governments. In particular, the measures envisaged in Article 7, shall in all cases be referred by each of the two Governments to the Council; the Council may make recommendations to the Governments on such measures, especially with regard to their duration, maintenance, amendment or abolition.

#### Article 16

Each Delegate-General shall be responsible for liaison between his Government and the Council.

He shall acquaint his Government with the proposals of the Council and keep the Council informed of the action taken on them. He shall submit to the Council his Government's requests for an advisory opinion and transmit the Council's replies to his Government.



He shall keep himself informed of all questions relating to the Customs Union and shall at all times be consulted upon them by his Government.

FINAL CLAUSES

Article 17

Any dispute with regard to the interpretation of the present Treaty which it has not been possible to settle by direct negotiation shall be decided by arbitration in accordance with a procedure to be laid down in each case by mutual agreement.

Article 18

The present Treaty, which is drawn up in two copies, one in the French language, the other in the Italian language, shall be ratified in accordance with the constitutional rules in force in each of the two States.

It shall come into force on the date of exchange of ratifications.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty.

Done at PARIS, 26 March 1949

For France:

R. SCHUMAN

For Italy:

C. SFORZA

