FREINDSHIP, COMMERCE AND NAVIGATION Treaty, with Protocol and Exchange of Notes, between the UNITED STATES OF AMERICA and ISRAEL

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Signed at Washington August 23, 1951

Ratification advised by the Senate of the United States of America, with a reservation, July 21, 1953

Ratified by the President of the United States of America, subject to the said reservation, December 18, 1953

Ratified by Israel January 21, 1954

Ratifications exchanged at Washington March 4, 1954

Proclaimed by the President of the United States of America May 6, 1954

Entered into force April 3, 1954

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS a treaty of friendship, commerce and navigation between the United States of America and Israel, together with a protocol and an exchange of notes relating thereto, was signed at Washington August 23, 1951;

WHEREAS the originals of the aforesaid treaty and protocol in the English and Hebrew languages, the original of the note signed by the Ambassador of Israel and the authentic text of the note signed by the Secretary of State of the United States of America, both in the English language, are word for word as follows:

TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND ISRAEL

The United States of America and Israel, desirous of strengthening the bonds of peace and friendship traditionally existing between them and of encouraging closer economic and cultural relations between their peoples, and being cognizant of the contributions which may be made toward these ends by arrangements encouraging mutually beneficial investments, promoting mutually advantageous commercial and cultural intercourse and otherwise establishing mutual rights and privileges, have resolved to conclude a Treaty of Friendship, Commerce and Navigation, based in general upon the principles of national and of most-favored-nation treatment unconditionally accorded, and for that purpose have appointed as their Plenipotentiaries,

The President of the United States of America:

Dean Acheson, Secretary of State of the United States of America, and

The President of the State of Israel:

Abba Eban, Ambassador Extraordinary and Plenipotentiary of Israel to the United States of America,

Who, having communicated to each other their full powers found to be in due form, have agreed upon the following Articles:

Article I.

Each Party shall at all times accord equitable treatment to the persons, property, enterprises and other interests of nationals and companies of the other Party.

Article II.

1. Nationals of either Party shall be permitted to enter the territories of the other Party and to remain therein: (a) for the purpose of carrying on trade between the territories of the two Parties and for the purpose of engaging in related commercial activities; and (b) for other purposes subject to the laws relating to the entry and sojourn of aliens.

2. Nationals of either Party, within the territories of the other Party, shall be permitted: (a) to travel therein freely, and to reside at places of their choice; (b) to enjoy liberty of conscience; (c) to hold both private and public religious services; (d) to bury their dead according to their religious customs in suitable and convenient places; (e) to gather and to transmit material for dissemination to the public abroad; and (f) to communicate with other persons inside and outside such territories by mail, telegraph and other means open to general public use.

3. The provisions of the present Article shall be subject to the right of either Party to apply measures that are necessary to maintain public order and necessary to protect the public health, morals and safety.

Article III.

1. Nationals of either Party within the territories of the other Party shall be free from unlawful molestations of every kind, and shall receive the most constant protection and security, in no case less than that required by international law.

2. If, within the territories of either Party, a national of the other Party is accused of crime and taken Into custody, the nearest diplomatic or consular representative of his country shall on the demand of such national be immediately notified. Such national shall: (a) receive reasonable and humane treatment; (b) be formally and immediately informed of the accusations against him; (c) be brought to trial as promptly as is consistent with the proper preparation of his defense; and (d) enjoy all means reasonably necessary to his defense, including the services of competent counsel.

Article IV.

1. Nationals of either Party shall be accorded national treatment in the application of laws and regulations within the territories of the other Party that establish a pecuniary compensation, or other benefit or service, on account of disease, injury or death arising out of and in the course of employment or due to the nature of employment.

2. In addition to the rights and privileges provided in paragraph 1 of the present Article, nationals of either Party shall, within the territories of the other Party, be accorded national treatment in the application of laws and regulations establishing systems of compulsory insurance, under which benefits are paid without an individual test of financial need: (a) against loss of wages or earnings due to old age, unemployment, sickness or disability, or (b) against loss of financial support due to the death of father, husband or other persona on whom such support had depended.

Article V.

1. Nationals and companies of either Party shall be accorded national treatment and most-favored-nation treatment with respect to access to the courts of justice and to administrative tribunals and agencies within the territories of the other Party, in all degrees of jurisdiction, both In pursuit and in defense of their rights. It is understood that companies of either Party not engaged in activities within the territories of the other Party shall enjoy such access therein without any requirement of registration or domestication.

2. Contracts entered into between nationals and companies of either Party and nationals and companies of the other Party, that provide for the settlement by arbitration of controversies, shall not be deemed unenforceable within the territories of such other Party merely on the grounds that the place designated for the arbitration proceedings is outside such territories or that the nationality of one or more of the arbitrators is not that of such other Party. No award duly rendered pursuant to any such contract, and final and enforceable under the laws of the place where rendered, shall be deemed invalid or denied effective means of enforcement within the territories of either Party merely on the grounds that the place where such award was rendered is outside such territories or that the nationality of one or more of the arbitrators is not that of such Party.

Article VI.

1. Property of nationals and companies of either Party shall receive the most constant protection and security within the

territories of the other Party.

2. The dwellings, offices, warehouses, factories and other premises of nationals and companies of either Party located within the territories of the other Party shall not be subject to unlawful entry or molestation. Official searches and examinations of such premises and their contents, when necessary, be made with careful regard for the convenience of the occupants and the conduct of business.

3. Property of nationals and companies of either Party shall not be taken except for public purposes, nor shall it be taken without the payment of just compensation. Such compensation shall be in an effectively realizable form and shall represent the equivalent of the property taken; and adequate provision shall have been made at or prior to the time of taking for the determination and prompt payment thereof.

4. Neither Party shall take unreasonable or discriminatory measures that would impair the legally acquired rights or interests within its territories of nationals and companies of the other Party in the enterprises which they have established or in the capital, skills, arts or technology which they have supplied; nor shall either Party unreasonably impede nationals and companies of the other Party from obtaining on equitable terms the capital, skills, arts and technology it needs for its economic development.

5. Nationals and companies of either Party shall in no case be accorded, within the territories of the other Party, less than national treatment and most-favored-nation treatment with respect to the matters set forth in paragraphs 2 and 3 of the present Article. Moreover, enterprises in which nationals and companies of either Party have a controlling interest shall be accorded, within the territories of the other Party, not less than national treatment and most-favored-nation treatment in all matters relating to the taking of privately owned enterprises into public ownership and to the placing of such enterprises under public control.

Article VII.

1. Nationals and companies of either Party shall be accorded national treatment with respect to engaging in all types of commercial, industrial, financial and other activity for profit (business activities) within the territories of the other Party, whether directly or by agent or through the medium of any form of lawful juridical entity. Accordingly, such nationals and companies shall be permitted within such territories: (a) to establish and maintain branches, agencies, offices, factories and other establishments appropriate to the conduct of their business; (b) to organize companies under the general company laws of such other Party, and to acquire majority interests in companies of such other Party; and (c) to control and manage enterprises which they have established or acquired. Moreover, enterprises which they control, whether in the form of individual proprietorships, companies or otherwise, shall, in all that relates to the conduct of the activities thereof, be accorded treatment no less favorable than that accorded like enterprises controlled by nationals and companies of such other Party.

2. Each Party reserves the right to limit the extent to which aliens may establish, acquire interests in, or carry on enterprises engaged within its territories in communications, air or water transport, banking, or the exploitation of land or other natural resources. However, neither Party shall deny to transportation, communications and banking companies of the other Party the right to maintain branches and agencies to perform functions necessary for essentially international operations in which they are permitted to engage.

3. The provisions of paragraph 1 shall not prevent either Party from prescribing special formalities in connection with the establishment of alien-controlled enterprises within its territories; but such formalities may not impair the substance of the rights set forth in said paragraph.

4. Nationals and companies of either Party, as well as enterprises controlled by such nationals and companies, shall in any event be accorded most-favored-nation treatment with reference to the matters treated in the present Article.

Article VIII.

1. Nationals and companies of either Party shall be permitted to engage, within the territories of the other Party, accountants and other technical experts, executive personnel, attorneys, agents and other specialists of their choice. Moreover, such nationals and companies shall be permitted to engage accountants and other technical experts regardless of the extent to which they may have qualified for the practice of a profession within the territories of such other Party, for the particular purpose of making examinations, audits and technical investigations for, and rendering reports to, such nationals and companies in connection with the planning and operation of their enterprises, and enterprises in which they have a financial interest, within such territories.

2. Nationals of either Party shall not be barred from practising the professions within the territories of the other Party merely by reason of their alienage; but they shall be permitted to engage in professional activities therein upon compliance with the requirements regarding qualifications, residence and competence that are applicable to nationals of such other Party.

3. Nationals and companies of either Party shall be accorded national treatment and most-favored-nation treatment with respect to engaging in scientific, educational, religious and philanthropic activities within the territories of the other Party, and shall be accorded the right to form associations for that purpose under the laws of such other Party. Nothing in the present Treaty shall be deemed to grant or imply any right to engage in political activities.

Article IX.

1. Nationals and companies of Israel shall be accorded, within the territories of the United States of America:

(a) national treatment with respect to leasing land, buildings and other immovable property appropriate to the conduct of commercial, manufacturing, processing, financial, construction, publishing, scientific, educational, religious, philanthropic and professional activities and for residential and mortuary purposes and with respect to occupying and using such property; and

(b) other rights in immovable property permitted by the applicable laws of the States, Territories and possessions of the United States of America.

2. Nationals and companies of the United States of America shall be accorded, within the territories of Israel, national treatment with respect to acquiring by purchase, or otherwise, and with respect to owning, occupying and using land, buildings and other immovable property. However, in the case of any such national domiciled in, or any such company constituted under the laws of, any State, Territory or possession of the United States of America that accords less than national treatment to nationals and companies of Israel in this respect, Israel shall not be obligated to accord treatment more favorable in this respect than such State, Territory or possession accords to nationals and companies of Israel.

3. Nationals and companies of either Party shall be accorded national treatment within the territories of the other Party with respect to acquiring, by purchase or any other method, and with respect to owning and using movable property of all kinds, both tangible and intangible. However, each Party may limit or prohibit: (a) alien ownership of interests in enterprises carrying on particular types of activity, but only to the extent that this can be done without impairing the rights and privileges secured by Article VII, paragraph 1, or by other provisions of the present Treaty; and (b) alien ownership of materials that are dangerous from the standpoint of public safety.

4. Nationals and companies of either Party shall be permitted freely to dispose of property within the territories of the other Party with respect to the acquisition of which through testate or intestate succession their alienage has prevented them from receiving national treatment, and they shall be permitted a term of at least five years in which to effect such disposition.

5. Nationals and companies of either Party shall be accorded within the territories of the other Party national treatment and most-favored-nation treatment with respect to disposing of property of all kinds.

Article X.

Nationals and companies of either Party shall be accorded, within the territories of the other Party, national treatment and most-favored-nation treatment with respect to obtaining and maintaining patents of invention, and with respect to rights in trade marks, trade names, trade labels and industrial property of all kinds.

Article XI.

1. Nationals of either Party residing within the territories of the other Party, and nationals and companies of either Party engaged in trade or other gainful pursuit or in scientific, educational, religious or philanthropic activities within the territories of the other Party, shall not be subject to the payment of taxes, fees or charges imposed upon or applied to income, capital, transactions, activities or any other object, or to requirements with respect to the levy and collection thereof, within the territories of such other Party, more burdensome than those borne by nationals and companies of such other Party.

2. With respect to nationals of either Party who are neither resident nor engaged in trade or other gainful pursuit within the territories of the other Party, and with respect to companies of either Party which are not engaged in trade or other gainful

pursuit within the territories of the other Party, it shall be the aim of such other Party to apply in general the principle set forth in paragraph 1 of the present Article.

3. Nationals and companies of either Party shall in no case be subject, within the territories of the other Party, to the payment of taxes, fees or charges imposed upon or applied to income, capital, transactions, activities or any other object, or to requirements with respect to the levy and collection thereof, more burdensome than those borne by nationals, residents and companies of any third country.

4. In the case of companies of either Party engaged in trade or other gainful pursuit within the territories of the other Party, and in the case of nationals of either Party engaged in trade or other gainful pursuit within the territories of the other Party but not resident therein, such other Party shall not impose or apply any tax, fee or charge upon any income, capital or other basis in excess of that reasonably allocable or apportionable to its territories, nor grant deductions and exemptions less than those reasonably allocable or apportionable to its territories. A comparable rule shall apply also in the case of companies organized and operated exclusively for scientific, educational, religious or philanthropic purposes.

5. Notwithstanding the provisions of the present Article, each Party may: (a) accord specific advantages as to taxes, fees and charges to nationals, residents and companies of third countries on the basis of reciprocity, if such advantages are similarly extended to nationals, residents and companies of the other Party; (b) accord to nationals, residents and companies of a third country special advantages by virtue of an agreement with such country for the avoidance of double taxation or the mutual protection of revenue; and (c) accord to its own nationals and to residents of contiguous countries more favorable exemptions of a personal nature with respect to income taxes and inheritance taxes than are accorded to other non-resident persons.

Article XII.

1. The treatment prescribed in the present Article shall apply to all forms of control of financial transactions, including (a) limitations upon the availability of media necessary to effect such transactions, (b) rates of exchange, and (c) prohibitions, restrictions, delays, taxes, charges and penalties on such transactions; and shall apply whether a transaction takes place directly, or through an intermediary in another country. As used in the present Article, the term "financial transactions" means all international payments and transfers of funds effected through the medium of currencies, securities, bank deposits, dealings in foreign exchange or other financial arrangements, regardless of the purpose or nature of such payments and transfers.

2. Financial transactions between the territories of the two Parties shall be accorded by each Party treatment no less favorable than that accorded to like transactions between the territories of that Party and the territories of any third country. Each Party, however, reserves rights and obligations it may have under the Articles of Agreement of the International Monetary Fund, except as may be otherwise provided in paragraphs b and 5 of the present Article.

3. Nationals and companies of either Party shall be accorded by the other Party national treatment and most-favored nation treatment with respect to financial transactions between the territories of the two Parties or between the territories of such other Party and of any third country.

4. Nationals and companies of either Party shall be permitted to withdraw freely from the territories of the other Party, by obtaining exchange in the currency of their own country,

(a) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services or otherwise, and funds for amortization of loans and depreciation of direct investments and transfers of the whole or any portion of the compensation referred to in paragraph 3 of Article VI, and

(b) funds for capital transfers.

If more than one rate of exchange is in force, the rate applicable to the withdrawals referred to in the present paragraph shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of such specifically approved rate, an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

5. Each Party shall retain the right in periods of exchange stringency to apply: (i) exchange restrictions to the extent necessary to assure the availability of foreign exchange for payments for goods and services essential to the health and welfare of its people, and (ii) specific exchange restrictions approved by the International Monetary Fund. In the event that either Party applies exchange restrictions, it shall make reasonable and specific provision for the withdrawals referred to in paragraph 4 (a) above, together with such provision for the withdrawals referred to in paragraph 4 (b) above as may be feasible, giving consideration to special needs for other transactions.

6. In general, any control imposed by either Party over financial transactions shall, subject to the reservation set forth in paragraph 2 of the present Article, be so administered as not to influence disadvantageously the competitive position of the commerce or investment of capital of the other Party in comparison with the commerce or the investment of capital of any third country.

Article XIII.

Commercial travelers representing nationals and companies of either Party engaged in business within the territories thereof shall, upon their entry into and departure from the territories of the other Party and during their sojourn therein, be accorded most-favored-nation treatment in respect of the customs and other matters, including, subject to the exceptions in paragraph 5 of Article XI, taxes and charges applicable to them, their samples and the taking of orders.

Article XIV.

1. Each Party shall accord most-favored-nation treatment to products of the other Party, from whatever place and by whatever type of carrier arriving, and to articles destined for exportation to the territories of such other Party, by whatever route and by whatever type of carrier, in all matters relating to customs duties and other charges, and with respect to all other regulations, requirements and formalities imposed on or in connection with imports and exports.

2. Neither Party shall impose any prohibition or restriction on the importation of any product of the other Party, or on the exportation of any article to the territories of the other Party, that:

(a) if imposed on sanitary or other customary grounds of a noncommercial nature or in the interest of preventing deceptive or unfair practices, arbitrarily discriminates in favor of the importation of the like product of, or the exportation of the like article to, any third country;

(b) if imposed on other grounds, does not apply equally to the importation of the like product of, or the exportation of the like article to, any third country; or

(c) if a quantitative regulation involving allotment to any third country with respect to an article in which such other Party has an Important interest, fails to afford to the commerce of such other Party a share proportionate to the amount by quantity or value supplied by or to such other Party during a previous representative period, due consideration being given to any special factors affecting the trade in the article.

3. Nationals and companies of either Party shall be accorded national treatment and most-favored-nation treatment by the other Party with respect to all matters relating to importation and exportation.

4. As used in the present Treaty the term "products of" means "articles the growth, produce or manufacture of. The provisions of the present Article shall not apply to advantages accorded by either Party:

(a) to products of its national fisheries;

(b) to adjacent countries in order to facilitate frontier traffic; or

(c) by virtue of a customs union of which either Party, after consultation with the other Party, may become a member.

Article XV.

1. Each Party shall promptly publish laws, regulations and rulings of general application pertaining to rates of duty, taxes or other charges, to the classification of articles for customs purposes, and to requirements or restrictions on imports and exports or the transfer of payments therefor, or affecting their sale, distribution or use; and shall administer such laws, regulations and rulings in a uniform, Impartial and reasonable manner.

2. Each Party shall provide an appeals procedure under which nationals and companies of the other Party, and Importers of products of such other Party, shall be able to obtain prompt and impartial review, and correction when warranted, of administrative action relating to customs matters, including the imposition of fines and penalties, confiscations, and rulings on questions of customs classification and valuation by the administrative authorities. Penalties imposed for infractions of the customs and shipping laws and regulations shall be merely nominal in cases resulting from clerical errors or when good faith can be demonstrated.

Article XVI.

1. Products of either Party shall be accorded, within the territories of the other Party, national treatment and most favored-nation treatment in all matters affecting internal taxation, sale, distribution, storage and use.

2. Articles produced by nationals and companies of either Party within the territories of the other Party, or by companies of the latter Party controlled by such nationals and companies, shall be accorded therein treatment no less favorable than that accorded to like articles of national origin by whatever person or company produced, in all matters affecting exportation, taxation, sale, distribution, storage and use.

Article XVII.

1. Each Party undertakes (a) that enterprises owned or controlled by its Government, and that monopolies or agencies granted exclusive or special privileges within its territories, shall make their purchases and sales involving either imports or exports affecting the commerce of the other Party solely in accordance with commercial considerations, Including price, quality, availability, marketability, transportation and other conditions of purchase or sale; and (b) that the nationals, companies and commerce of such other Party shall be afforded adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases and sales.

2. Each Party shall accord to the nationals, companies and commerce of the other Party fair and equitable treatment, as compared with that accorded to the nationals, companies and commerce of any third country, with respect to: (a) the governmental purchase of supplies, (b) the awarding of concessions and other government contracts, and (c) the sale of any service sold by the Government or by any monopoly or agency granted exclusive or special privileges.

Article XVIII.

1. The two Parties will, upon the request of either of them, have discussions regarding the actual or prospective existence of business practices which may have harmful effects upon commerce between their respective territories; and each will take such measures as it deems appropriate with a view to eliminating such undesirable practices. Business practices which may have harmful effects are those which restrain competition, limit access to markets or foster monopolistic control, and which are engaged in or made effective by one or more private or public commercial enterprises or by combination, agreement, or other arrangement among such enterprises.

2. Rights and privileges with respect to commercial, manufacturing and processing activities accorded, by the provisions of the present Treaty, to privately owned and controlled enterprises of either Party within the territories of the other Party shall extend to rights and privileges of an economic nature granted to publicly owned or controlled enterprises of such other Party, in situations in which such publicly owned or controlled enterprises operate in fact in competition with privately owned and controlled enterprises. The preceding sentence shall not, however, apply to subsidies granted to publicly owned or controlled enterprises in connection with: (a) manufacturing or processing goods for government use, or supplying goods and services to the Government for government Use; or (b) supplying, at prices substantially below competitive prices, the needs of particular population groups for essential goods and services not otherwise practically obtainable by such groups.

3. No enterprise of either Party, including corporations, associations, and government agencies and instrumentalities, which is publicly owned or controlled shall, if it engages in commercial, manufacturing, processing, shipping or other business activities within the territories of the other Party, claim or enjoy, either for itself or for its property, immunity therein from taxation, suit, execution of judgment or other liability to which privately owned and controlled enterprises are subject therein.

Article XIX.

1. Between the territories of the two Parties there shall be freedom of commerce and navigation.

2. Vessels under the flag of either Party, and carrying the papers required by its law in proof of nationality, shall be deemed to be vessels of that Party both on the high seas and within the ports, places and waters of the other Party.

3. Vessels of either Party shall have liberty, on equal terms with vessels of the other Party and on equal terms with vessels of any third country, to come with their cargoes to all ports, places and waters of such other Party open to foreign commerce and navigation. Such vessels and cargoes shall in all respects be accorded national treatment and most-favored-nation treatment within the ports, places and waters of such other Party; but each Party may reserve exclusive rights and privileges to its own vessels with respect to the coasting trade, inland navigation and national fisheries.

4. Vessels of either Party shall be accorded national treatment and most-favored-nation treatment by the other Party with respect to the right to carry all articles that may be carried by vessel to or from the territories of such other Party; and such

articles shall be accorded treatment no less favorable than that accorded like articles carried in vessels of such other Party, with respect to: (a) duties and charges of all kinds, (b) the administration of the customs, and (c) bounties, drawbacks and other privileges of this nature.

5. Vessels of either Party that are in distress shall be permitted to take refuge in the nearest port or haven of the other Party, and shall receive friendly treatment and assistance, including such repairs, as well as supplies and materials for repairs, as may be necessary and available.

6. The term "vessels", as used herein, means all types of vessels, whether privately owned or operated, or publicly owned or operated; but this term does not, except with reference to paragraph 5 of the present Article, include fishing vessels or vessels of war.

Article XX.

There shall be freedom of transit through the territories of each Party by the routes most convenient for international transit:

(a) for nationals of the other Party, together with their baggage;

(b) for other persons, together with their baggage, en route to or from the territories of such other Party; and

(c) for articles of any origin en route to or from the territories of such other Party.

Such persons and articles in transit shall be exempt from transit, customs and other duties, and from unreasonable charges and requirements; and shall be free from unnecessary delays and restrictions. They shall, however, be subject to measures referred to in paragraph 3 of Article II, and to nondiscriminatory regulations necessary to prevent abuse of the transit privilege.

Article XXI.

1. The present Treaty shall not preclude the application of measures:

(a) regulating the importation or exportation of gold or silver;

(b) relating to fissionable materials, to radioactive byproducts of the utilization or processing thereof or to materials that are the source of fissionable materials,

(c) regulating the production of or traffic in arms, ammunition and implements of war, or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment;

(d) necessary to fulfill the obligations of a Party for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests; and

(e) denying to any company in the ownership or direction of which nationals of any third country or countries have directly or indirectly a controlling interest, the advantages of the present Treaty, except with respect to recognition of juridical status and with respect to access to courts.

2. The most-favored-nation provisions of the present Treaty relating to the treatment of goods shall not apply to: (a) advantages accorded by the United States of America or its Territories and possessions to one another, to the Republic of Cuba, to the Republic of the Philippines, to the Trust Territory of the Pacific Islands or to the Panama Canal Zone; or (b) advantages which Israel may accord and which existed under arrangements in force on May 13, l948.

3. The provisions of the present Treaty relating to the treatment of goods shall not preclude action by either Party which is required or specifically permitted by the General Agreement on Tariffs and Trade [1] during such time as such Party is a contracting party to the General Agreement. Similarly, a contracting party to said Agreement may withhold from countries that have not acceded thereto particular advantages reciprocally negotiated thereunder. In the event that, pursuant to the foregoing sentence, either Party to the present Treaty withholds most-favored-nation treatment from any product of the other Party, such other Party may thereupon terminate Article XIV, paragraph 1, of the present Treaty on giving six months notice.

1 Treaties and Other International Acts Series 1700; 61 Stat., pts. 5 and 6.

4. The present Treaty does not accord any rights to engage in political activities.

5. Nationals of either Party admitted into the territories of the other Party f or limited purposes shall not enjoy rights to engage in gainful occupations in contravention of limitations expressly imposed, according to law, as a condition of their admittance.

Article XXII.

1. The term "national treatment" means treatment accorded within the territories of a Party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of such Party.

2. The term "most-favored-nation treatment" means treatment accorded within the territories of a Party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of any third country. It is understood that established concessions and regimes which antedate the independence of Israel do not come within the purview of Article VII, paragraph 4, and Article VIII, paragraph 3.

3. As used in the present Treaty, the term "companies" means corporations, partnerships, companies and other associations, whether or not with limited liability and whether or not for pecuniary profit. Companies constituted under the applicable laws and regulations within the territories of either Party shall be deemed companies thereof and shall have their juridical status recognized within the territories of the other Party.

4. National treatment accorded under the provisions of the present Treaty to companies of Israel shall, in any State, Territory or possession of the United States of America, be the treatment accorded therein to companies created or organized in other States, Territories, and possessions of the United States of America.

Article XXIII.

The territories to which the present Treaty extends shall comprise all areas of land and water under the sovereignty or authority of each of the Parties, other than the Panama Canal Zone and, except to the extent that the President of the United States of America shall otherwise determine, the Trust Territory of the Pacific Islands.

Article XXIV.

1. Each Party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as the other Party may make with respect to any matter affecting the operation of the present Treaty.

2. Any dispute between the Parties as to the interpretation or application of the present Treaty, not satisfactorily adjusted by diplomacy, shall be submitted to the International Court of Justice, unless the Parties agree to settlement by some other pacific means.

Article XXV.

1. The present Treaty shall be ratified, and the ratifications thereof shall be exchanged at Washington as soon as possible.

2. The present Treaty shall enter into force on the thirtieth day following the day of exchange of ratifications. It shall remain in force for ten years and shall continue in force thereafter until terminated as provided herein.

3. Either Party may, by giving one year's written notice to the other Party, terminate the present Treaty at the end of the initial ten-year period or at any time thereafter.

IN WITNESS WHEREOF the respective Plenipotentiaries have signed the present Treaty and have affixed hereunto their seals.

DONE in duplicate, in the English and Hebrew languages, both equally authentic, at Washington, this twenty-third day of August, one thousand nine hundred fifty-one, which corresponds to the twenty-first day of Av, five thousand seven hundred and eleven.

FOR THE UNITED STATES OF AMERICA:

DEAN ACHESON [SEAL]

FOR ISRAEL:

ABBA EBAN [SEAL]

Ambassador

PROTOCOL

At the time of signing the Treaty of Friendship, Commerce and Navigation between the United States of America and Israel the undersigned Plenipotentiaries, duly authorized by their respective Governments, have further agreed on the following provisions, which shall be considered integral parts of the aforesaid Treaty:

1. The term "access" as used in Article V, paragraph 1, comprehends, among other things, legal aid and security for costs and judgment.

2. The first sentence of Article V, paragraph 1, shall not obligate either Party with respect to entertaining an action where a decree of dissolution of marriage is sought by an alien. For this purpose, decree of dissolution of marriage includes a decree of divorce and a decree of nullity.

3. The provisions of Article VI, paragraph 3, providing for the payment of compensation shall extend to interests held directly or indirectly by nationals and companies of either Party in property which is taken within the territories of the other Party.

4. With reference to Article VII, paragraph 4, either Party may require that rights to engage in mining on the public domain shall be dependent on reciprocity.

5. It is understood that the provisions of Article IX do not affect the disposition by either Party of its public domain.

6. Either Party, in adopting such measures of exchange control as may be necessary from time to time to deal with a stringency of foreign exchange, may depart from the provisions of paragraphs 2 and 6 of Article XII. However, such measures shall depart no more than necessary from the provisions of said paragraphs and shall be conformable with a policy designed to promote the maximum development of nondiscriminatory foreign trade and to expedite the attainment both of a balance of payments position and of reserves of foreign exchange which will obviate the necessity of such measures. A Party may also, notwithstanding Article XIV, paragraph 2(b) and (c), apply quantitative restrictions on imports that have effect equivalent to exchange restrictions applied pursuant to the preceding sentences of the present provision. A Party resorting to the present provision, or to paragraph 5 of Article XII, shall consult with the other Party at any time, upon request, as to the need for and application of restrictions thereunder, and shall give the other Party as much advance notice as practicable of prospective new or substantially increased resort thereto.

7. The provisions of Article XVII, paragraph 2(b) and (c) of Article XIX, paragraph 4, shall not apply to postal services.

8. The provisions of Article XX, (b) and (c), shall not obligate either Party with respect to nationals and products of any country which does not permit transit through its territories or nationals and products of such Party.

9. The provisions of Article XXI, paragraph 2, shall apply in the case of Puerto Rico regardless of any change that may take place in its political status.

10. Article XXIII does not apply to territories under the authority of either Party solely as a military base or by reason of temporary military occupation,

IN WITNESS WHEREOF the respective Plenipotentiaries have signed this Protocol and have affixed hereunto their seals.

DONE in duplicate, in the English and Hebrew languages, both equally authentic, at Washington, this twenty-third day of August, one thousand nine hundred fifty-one, which corresponds to the twenty-first day of Av, five thousand seven hundred and eleven.

FOR THE UNITED STATES OF AMERICA:

DEAN ACHESON [SEAL]

FOR ISRAEL:

ABBA EBAN [SEAL]

The Secretary of State to the Israeli Ambassador

DEPARTMENT OF STATE

WASHINGTON

August 23, 1951

EXCELLENCY:

I have the honor to refer to the Treaty of Friendship, Commerce and Navigation between the United States of America and Israel signed at Washington on August 23, 1951, and to confirm the understanding reached during the negotiation thereof that, for the purposes of the aforesaid Treaty, the United States of America is prepared, pending enactment of nationality legislation by Israel, to consider persons holding or entitled to hold Israel passports or traveling documents as nationals of Israel.

It is understood also that the foregoing is without reference to any questions of dual nationality.

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

DEAN ACHESON

His Excellency

ABBA EBAN,

Ambassador of Israel.

The Israeli Ambassador to the Secretary of State

EMBASSY OF ISRAEL

WASHINGTON, D. C.

August 23, 1951

EXCELLENCY:

I have the honor to refer to the Treaty of Friendship, Commerce and Navigation between Israel and the United States of America, signed at Washington on August 23, 1951, and to confirm the understanding reached during the negotiation thereof that, for the purposes of the aforesaid Treaty, the United States of America is prepared, pending enactment, of nationality legislation by Israel, to consider persons holding or entitled to hold Israel passports or traveling documents as nationals of Israel; and further, it is understood that the foregoing is without reference to any questions of dual nationality.

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

ABBA EBAN

His Excellency

DEAN G. ACHESON,

Secretary of State,

Washington, D. C.

WHEREAS the Senate of the United States of America by their resolution of July 21, 1953, two-thirds of the Senators present concurring therein, did advise and consent to the ratification of the aforesaid treaty, together with the aforesaid protocol and exchange of notes relating thereto, subject to a reservation as follows:

"Article VIII, paragraph 2, shall not extend to professions which, because they involve the performance of functions in a Public capacity or in the interest of public health and safety, are state-licensed and reserved by statute or constitution exclusively to citizens of the country, and no most-favored-nation clause in the said treaty shall apply to such professions.";

WHEREAS the text of the aforesaid reservation was communicated by the Government of the United States of America to the Government of Israel by a note dated July 28, 1953 and was accepted by the Government of Israel by a note dated December 3, 1953;

WHEREAS the aforesaid treaty, together with the protocol and the exchange of notes relating thereto, was ratified by the President of the United States of America on December 18, 1953, in pursuance of the aforesaid advice and consent of the Senate and subject to the aforesaid reservation, and was ratified on the part of the Government of Israel;

WHEREAS the respective instruments of ratification, as aforesaid, were exchanged at, Washington on March 4, 1954, and a protocol of exchange, in the English and Hebrew languages, was signed at that place and on that date by the respective Plenipotentiaries of the United States of America and Israel, the said protocol of exchange indicating that the aforesaid reservation had been made and accepted;

AND WHEREAS it is provided in Article XXV of the aforesaid treaty that the treaty shall enter into force on the thirtieth day following the day of exchange of ratifications and in the aforesaid protocol of August 23, 1951 that the provisions thereof shall be considered integral parts of the treaty, and the aforesaid notes are deemed to be an integral part of the treaty;

Now, THEREFORE, be it known that I, Dwight P. Eisenhower, President of the United States of America, do hereby proclaim and make public the aforesaid treaty, the aforesaid protocol of August 23, 1951, and the aforesaid exchange of notes to the end that the same and every article and clause thereof may be observed and fulfilled in good faith on and after April 3, 1954, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof, subject to the aforesaid reservation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the city of Washington this sixth day of May in the year of our Lord one thousand nine hundred fifty-four and of the Independence of the United States of America the one hundred seventy-eighth.

DWIGHT D EISENHOWER

By the President: JOHN FOSTER DULLESSecretary of State