

N° 3410.

LETTONIE ET
UNION DES RÉPUBLIQUES
SOVIÉTISTES SOCIALISTES

Traité de commerce, avec protocole
final. Signés à Moscou, le 4
décembre 1933.

LATVIA
AND UNION OF SOVIET
SOCIALIST REPUBLICS

Treaty of Commerce, and Final
Protocol. Signed at Moscow,
December 4th, 1933.

¹ TRANSLATION.

No. 3410. — TREATY OF COMMERCE BETWEEN LATVIA AND THE UNION OF SOVIET SOCIALIST REPUBLICS. SIGNED AT MOSCOW, DECEMBER 4TH, 1933.

THE REPUBLIC OF LATVIA and THE UNION OF SOVIET SOCIALIST REPUBLICS, being desirous of helping in every way to strengthen the solid foundations on which the economic relations between the two countries are established, and to extend those relations further, have decided to develop the provisions of Article XVII of the Peace Treaty between Latvia and Russia of August 11th, 1920, by concluding a Commercial Treaty, and have for that purpose appointed as their Plenipotentiaries:

THE GOVERNMENT OF THE REPUBLIC OF LATVIA :

Dr. Alfred BĪLMANIS, Envoy Extraordinary and Minister Plenipotentiary of the Republic of Latvia in the Union of Soviet Socialist Republics ;
M. Vilhelm MUNTERS, Secretary-General of the Ministry of Foreign Affairs ; and
M. Ernest OZOLIŅŠ, Director of the Bank of Latvia ;

THE CENTRAL EXECUTIVE COMMITTEE OF THE UNION OF SOVIET SOCIALIST REPUBLICS :

M. Boris Spiridonovitch STOMONIAKOV, Member of the Council of the People's Commissariat for Foreign Affairs ;
M. Cholom Moiseievitch DVOLAITSKI, Member of the Council of the People's Commissariat for Foreign Trade ; and
M. Ivan Leopoldovitch LORENTS, Deputy Head of the Section for Commercial Policy in the People's Commissariat for Foreign Trade ;

Who, having communicated their full powers, found in good and due form, have agreed on the following :

Article 1.

Each of the Contracting Parties undertakes :

(1) To grant to the other Contracting Party all rights, immunities and privileges which it has granted or may hereafter grant to any third country in virtue of its internal legislation and international agreements, as regards :

(a) The conditions under which nationals of the other Party may enter, reside in and leave its territory ; the acquisition, in particular by inheritance, under a will or in accordance with the law, of any kind of property ; the possession, utilisation and disposal of such property by sale, gift, legacy or any other manner ; the import and export of their personal possessions ; the practice of professions, commerce, industries and trades ; the protection of their rights before the courts or in any other manner ; the payment of taxes and all kinds of dues having a character of public law ; and also as regards all other matters by which the legal position and general legal protection of such nationals are determined ;

¹ Translated by the Secretariat of the League of Nations, for information.

(b) The treatment of juridical persons of either of the Parties constituted in the territory of that Party in accordance with its laws for carrying on commercial, industrial, financial, transport and other economic operations, and in particular the recognition of juridical persons of one Party and the grant of permission to them to carry on their activities in the territory of the other Party, the conduct of their activities in that territory, including external trading activities, the legal protection of such juridical persons, and their liability to pay taxes and all kinds of dues having a character of public law ;

(c) Everything relating to the commercial and transit system, in particular Customs duties and charges, the establishment and application of rules and formalities on the import, export and transit of products of the soil and industrial products of the other Party and their storage in bond ;

(d) The treatment of passengers, luggage and goods of either of the Parties on the railways of the other Party ;

(e) The treatment of sea-going vessels flying the flag of either Party, their crews, passengers and cargoes, in the ports and waters of the other Party.

(2) To grant to the other Contracting Party the special rights, immunities and privileges laid down in the present Treaty or in agreements which may hereafter be concluded.

The provisions of the present paragraph shall in no way restrict the application of paragraph 1 of the present Article in case any more extensive rights, immunities and privileges are granted to a third country.

(3) When concluding new commercial treaties and agreements and prolonging previously concluded agreements, to continue to stipulate in all cases that the rights, immunities and privileges which have been or may hereafter be granted to the other Contracting Party shall not extend to other countries in virtue of the most-favoured-nation clause.

Article 2.

The provisions of the present Treaty do not apply to rights, immunities and privileges which have been or may hereafter be granted :

(1) By either of the Contracting Parties to adjacent States with a view to facilitating traffic in a frontier zone not exceeding, as a rule, 15 km. in width ;

(2) By either of the Contracting Parties to a third State as a result of a Customs union which has already been or may hereafter be concluded ;

(3) By Latvia to Estonia, Finland and Lithuania ;

(4) By the Union of Soviet Socialist Republics, to Estonia, Finland, Lithuania and the continental States of Asia bordering on the Union.

Article 3.

Independently of the provisions of the Peace Treaty between Latvia and Russia of August 11th, 1920, in respect of consular relations and of the rights and duties of consular representatives, each of the Contracting Parties undertakes to grant to the consular representatives of the other Party all rights and immunities granted to the consular representatives of any third State.

The establishment of consular representation in localities of one Party in which there are as yet no consular representatives of the other Party shall be the subject of agreement between the two Contracting Parties.

Consular representatives must be officials of the Ministry of Foreign Affairs of the State which they represent. They shall not be entitled to carry on any trade or engage in any industry in the territory of the country where they discharge their functions.

Before appointing a consular representative, the Government appointing him must obtain the consent of the State in whose territory the consular representative is to discharge his functions.

Article 4.

1. In order to give effect to the foreign trade monopoly belonging by the law of the Union of Soviet Socialist Republics to the Government of the Union, a Trade Delegation shall be established, with its headquarters at Riga, as a part of the Plenipotentiary Representation of the Union in Latvia.

2. The duties of the Trade Delegation of the Union of Soviet Socialist Republics in Latvia shall be :

(a) To promote the development of commercial and economic relations between Latvia and the Union of Soviet Socialist Republics and to represent the interests of the Union in matters of foreign trade ;

(b) On behalf of the Union of Soviet Socialist Republics, to regulate the foreign trade of the Union with Latvia ;

(c) On behalf of the Union of Soviet Socialist Republics, to carry on foreign trade with Latvia.

The Trade Delegation shall not be required to be entered in the commercial register. The Trade Delegation must continually publish the names of the persons authorised to represent it in " Valdības Vēstnesis ", and must also announce them in other ways in a form which is clear to the public. In dealings with third persons, these representatives shall be deemed to possess powers of representation until it is announced in " Valdības Vēstnesis " that their powers have come to an end.

3. The Trade Delegate, his deputy and the members of the Council of the Trade Delegation, the number of whom will be fixed by agreement between the two Governments, shall form part of the diplomatic staff of the Plenipotentiary Representation of the Union of Soviet Socialist Republics in Latvia, and shall enjoy the rights and privileges granted to members of diplomatic missions.

4. The official premises of the central administration and departments of the Trade Delegation of the Union of Soviet Socialist Republics at Riga, together with its branches, shall enjoy extraterritoriality.

Should it be necessary to open branches of the Trade Delegation, the places where they are to be situated shall be fixed by agreement between the Parties.

5. The Trade Delegation and its branches shall be entitled to use a cipher.

6. The Union of Soviet Socialist Republics acknowledges that it is bound by all legal acts performed by the Trade Delegate or other persons empowered to represent the Trade Delegation or its branches (paragraph 2 of the present Article) or by their attorneys. The Union of Soviet Socialist Republics accepts responsibility for contracts concluded by the above-mentioned persons.

7. Legal acts performed by the Trade Delegation in Latvia, which are binding on the Union of Soviet Socialist Republics, and the economic results of such acts, shall be subject to Latvian law and shall come under Latvian jurisdiction. Nevertheless, in view of the responsibility of the Union for the contracts of the Trade Delegation in accordance with paragraph 6 of the present Article, no judicial measures of a preliminary character and no administrative measures shall be taken against the property of the Trade Delegation and its branches.

Distrainment shall not be levied upon the property of the Trade Delegation in execution of judicial decisions which have acquired force of law in cases where such property is intended to give effect to the rights of State sovereignty in accordance with the general rules of international law or is required for the official work of the Trade Delegation.

Article 5.

The Government of the Union of Soviet Socialist Republics does not accept any responsibility for the acts of State economic organisations of the Union, which, under the laws of the Union, are exclusively responsible for their own acts, except in cases where responsibility has been clearly accepted, in particular by means of guarantees given by the Trade Delegation of the Union acting on behalf of the Government of the Union in accordance with Article 4 of the present Treaty. The mere authorisation by the Trade Delegation, in so far as such authorisation is necessary, shall not have the value of a guarantee.

The State economic organisations of the Union of Soviet Socialist Republics, constituted in the Union as independent juridical persons, whatever be the form of their constitution (joint-stock companies, trusts, State trading organisations, combines, etc.), shall themselves be responsible for their acts within the limits of their capital. Neither the Government of the Union nor the Trade Delegation shall be responsible for the acts of such organisations; similarly, the individual State economic organisations of the Union shall not be responsible for the acts of other State economic organisations or for the acts of the Union or of the Trade Delegation.

The legal acts performed in Latvia by these organisations and the economic results of such acts shall be subject to Latvian law and shall come under Latvian jurisdiction and may give rise to distrainment in execution of judicial decisions. The property of these organisations in Latvia bears unlimited liability.

The statutes of these organisations, the balance-sheets of their branches in Latvia, and the names of the persons empowered to represent them, shall be continually published by them, even before they are entered in the commercial register.

Article 6.

1. Goods of all kinds and passengers' luggage sent in transit through the territory of either of the Contracting Parties shall be exempt from the payment of all import, export and transit duties, whether they are transported direct of transhipped en route, or are unloaded in warehouses and reloaded, the term "warehouses" being understood to mean premises under the supervision of the Customs authorities.

2. The transport of goods, packages, passengers and luggage between Latvia and the Union of Soviet Socialist Republics shall take place on the basis of special agreements regarding direct railway communications which have been or may hereafter be concluded between the General Administration of the Latvian Railways and the People's Commissariat for Communications of the Union of Soviet Socialist Republics, with or without the participation of third countries.

3. As regards the collection by the Contracting Parties of transport charges and accessory dues on the railways, and also as regards times and means of transport, no distinction shall be made between the nationals of the Contracting Parties nor between their juridical persons.

In particular, goods despatched from the Union of Soviet Socialist Republics to any Latvian station or from any Latvian station to the Union, or in transit through Latvia, shall not be subject on the Latvian railways to transport charges and accessory dues of an amount exceeding the charges and dues payable on similar Latvian goods despatched for the same distance by the same route.

The same rules shall also apply on the railways of the Union in respect of goods despatched from Latvia to any station on the railways of the Union or from any station on the railways of the Union to Latvia, or in transit through the Union.

Article 7.

Both Contracting Parties undertake within the shortest possible time to conclude a veterinary and sanitary convention, conventions on navigation, on consular relations, on the protection of industrial property and on the protection of trade-marks, an agreement on tariffs and transit, and an agreement on the floating of timber on the Western Dvina River (Daugava).

Article 8.

The present Treaty shall be ratified. The exchange of the instruments of ratification shall take place at Riga.

The present Treaty shall remain in force for two years from the date of the exchange of the instruments of ratification.

If the present Treaty is not denounced by either of the Contracting Parties six months before the end of the above-mentioned period of two years, it shall be deemed to be prolonged for a further period of twelve months, and so successively until a denunciation is received from one of the Parties not less than six months before the expiry of the previous period of twelve months.

Article 9.

The present Treaty is drawn up in the Latvian and Russian languages, both texts being authentic for its interpretation.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Treaty and have thereto affixed their seals.

Done at Moscow, in duplicate, December 4th, 1933.

(Signed) Dr. Alfr. BILMANIS.

(Signed) V. MUNTERS.

(Signed) E. OZOLIŅŠ.

(Signed) B. STOMONIAKOV.

(Signed) S. DVOLAITSKI.

(Signed) I. LORENTS.

FINAL PROTOCOL.

To Article 1.

Paragraph 1 (a).

The provisions of Article 1, paragraph 1 (a), relating to inheritances, shall not affect the provisions of Article XVII, paragraph 3, of the Peace Treaty between Latvia and Russia of August 11th, 1920.

Paragraph 1 (b).

1. Article 1, paragraph 1 (b), shall not prejudice the question whether the juridical persons of either Party are entitled to be authorised to carry on operations in the territory of the other

Party. This right is regulated by the internal legislation of each of the Contracting Parties, it being of course understood that in this respect the principle of the most-favoured nation shall retain its entire effect.

2. In so far as in one of the Contracting Parties the functions of economic life are performed or may hereafter be performed by State economic organisations (trusts, State trading organisations, combines, etc.) which differ in structure from the forms of juridical person accepted in most other countries (joint-stock companies, commercial companies, etc.), the Contracting Parties confirm that the immunities granted by either of them to all kinds of joint-stock companies, commercial companies, and other juridical persons of the most-favoured nation, shall also be extended to all State economic organisations of the other Party constituted in accordance with the laws of that Party.

Paragraph 1 (c).

Each of the Contracting Parties reserves the right to demand, on the importation of products of the soil and industrial products of the other Party, the production of a certificate of origin attesting that the imported article has been produced in the territory of that Party.

As regards raw materials in the strict sense of the word and products of the soil, together with semi-manufactured and manufactured goods produced from the raw materials of the Contracting Parties, the certificates must state that they have been produced in the territory of the other Party. As regards semi-manufactured and manufactured goods not produced from the raw materials of the Contracting Parties, the certificates must state that their value has been increased through the finishing process by not less than 35 %.

Certificates of origin for Latvian goods shall be issued in Latvia by the Ministry of Finance, the Ministry of Agriculture and the State organs authorised by them, and also by other organisations according to agreement between the Parties.

Certificates of origin for goods of the Union of Soviet Socialist Republics shall be issued in the Union by the People's Commissariat for Foreign Trade and its organs, and by the Chamber of Commerce of the Union and its branches.

The form of certificates of origin for goods exported from Latvia to the Union of Soviet Socialist Republics and exported from the Union to Latvia shall be established by agreement between the Parties.

Certificates of origin shall be visa'd and legalised by the competent organs of the Parties in accordance with the regulations of the Party into whose territory the goods mentioned in the certificates are imported. The Parties guarantee each other most-favoured nation treatment in this respect.

Paragraph 1 (e).

The provisions of Article 1, paragraph 1 (*e*), do not apply to coasting trade, which is a right exclusively reserved to the national marine of each Party.

To Article 5.

1. It is understood that as regards the circumstances and conditions for establishing the responsibility of the Union of Soviet Socialist Republics or of the Trade Delegation for the legal acts of the State economic organisations, the principle of the most-favoured nation remains fully in force.

2. A refusal to authorise the State economic organisations of the Union of Soviet Socialist Republics to carry on operations in Latvia may not be based on the fact that these organisations do not possess certificates issued by the Latvian Consul to the effect that Latvian juridical persons in the Union enjoy the same rights as juridical persons of the Union in Latvia.

To Article 7.

Until the conclusion of the agreement on tariffs and transit provided for in Article 7 of the present Treaty, but not later than April 1st, 1934, the railway tariffs on the railway lines of the Union of Soviet Socialist Republics leading to and from Latvian ports shall, as regards transit through Latvia, remain, under equal conditions, as favourable as on the railway lines of the Union leading to the Baltic ports of third States.

To Article 8.

Should one of the Parties denounce the Treaty in accordance with the provisions of Article 8, it shall be deemed to remain in force for a further period of two months after the expiry of the last year of its application.

If the verification of the exchange of goods between Latvia and the Union of Soviet Socialist Republics, carried out in the course of these two months on the basis of the Final Protocol, to Article 1, paragraph 3, of the Economic Agreement, shows a difference between the exports of the Union to Latvia and the imports of the Union from Latvia, the Treaty shall be deemed to be prolonged for a further period of two months in order to make up the said difference.

Done at Moscow, in duplicate, in the Latvian and Russian languages, December 4th, 1933.

(Signed) Dr. Alfr. BĪLMANIS.

(Signed) V. MUNTERS.

(Signed) E. OZOLIŅŠ.

(Signed) B. STOMONIAKOV.

(Signed) S. DVOLAITSKI.

(Signed) I. LORENTS.