

N° 624.

ESTHONIE ET LETTONIE

Traité préliminaire de l'Union économique et douanière entre l'Esthonie et la Lettonie, signé à Tallinn le 1 novembre 1923.

ESTHONIA AND LATVIA

Preliminary Treaty regarding the economic and customs union between Esthonia and Latvia, signed at Tallinn, November 1, 1923.

¹ TRADUCTION. — TRANSLATION.No. 624. — PRELIMINARY TREATY² REGARDING THE ECONOMIC AND CUSTOMS UNION BETWEEN ESTHONIA AND LATVIA, SIGNED AT TALLINN, NOVEMBER 1, 1923.

*Official French text communicated by the Esthonian and Latvian Ministers for Foreign Affairs.
The registration of this Treaty took place May 31, 1924.*

THE GOVERNMENT OF LATVIA, represented by M. Zigfrids MEIEROVICS, President of the Council of Ministers and Minister for Foreign Affairs,

AND THE GOVERNMENT OF ESTHONIA, represented by Dr. Frederick AKEL, Minister for Foreign Affairs, have decided to conclude a provisional treaty for the economic and customs union of the two countries, based on the following provisions :

Article 1.

The nationals of each of the Contracting Parties shall, in the territory of the other Contracting Party, enjoy all the rights and privileges which are, or may be, granted to the Nationals of any third State.

In all matters relating to commerce, industry and navigation the nationals of the one Contracting Party shall, in the territory of the other Party, enjoy the same rights and privileges as are or may be granted to nationals of a third State, except in the cases stipulated in the present Treaty.

Article 2.

The nationals of each of the Contracting Parties shall, in the territory of the other Contracting Party, be reciprocally at full liberty to acquire, possess and dispose of every description of property and goods, movable and immovable, which the laws of that Party permit, or shall permit the nationals of any third State to acquire and possess. They shall also be permitted freely to export the proceeds of the sale of their property and goods in general, without being subjected, as foreigners, to other or higher duties in respect of export than those to which the nationals of that Party would be liable under similar circumstances.

Article 3.

Unless otherwise stipulated in the present Treaty, the nationals of either Contracting Party shall not be subject, in the territory of the other Party, in respect of their persons, their income,

¹ Traduit par le Secrétariat de la Société des Nations.

¹ Translated by the Secretariat of the League of Nations.

² The exchange of ratifications took place at Riga February 21, 1924.

or their property, movable or immovable, or in respect of the carrying on of their trade or industry, to general or local taxes, or to duties or imposts of any kind whatever, other or greater than those which are, or may be imposed upon the nationals of the other.

Article 4.

The nationals of each of the Contracting Parties shall, provided that they comply with the laws of the country, have free access to all Courts of Law of whatever grade in the other country, for the purpose either of bringing an action, or of defending their rights. They shall also be entitled to employ in all Courts, the counsel, solicitors, or agents authorised by the law of the country, and shall in this respect enjoy all rights and advantages possessed by the nationals of the country.

Article 5.

The nationals of each of the Contracting Parties shall be reciprocally exempted from all personal military service, from participation in military organisations and from any military contribution, whether pecuniary or in kind.

They shall not for military purposes be subjected to obligations in respect of service or requisition, other than those incumbent upon the citizens of the country, and they shall be entitled, on a basis of reciprocity, to compensation, as provided in the laws in force for the nationals of each of the Contracting Parties.

They shall also be exempted from any judicial or municipal responsibilities or duties of any kind whatever.

Article 6.

Incorporated companies, limited liability companies and all other commercial, industrial, financial and insurance companies and associations which have their headquarters in the territory of one of the Contracting Parties, and which are constituted as legal persons and transact business in conformity with the laws of that country, shall be recognised in the other country as existing *de jure*, and shall, provided that they conform to the laws of that country, have free access therein to the Courts of Justice, either as plaintiffs or defendants to claim or defend their rights.

The aforesaid companies of each of the Contracting Parties shall, provided that the laws and regulations of the other country contain no provision contrary thereto, and that they fulfil all formalities stipulated in such laws and regulations, be entitled to carry on their business in the territory of the other country and to establish themselves therein; in all matters affecting establishment, they shall enjoy the treatment granted to the aforesaid companies of the most favoured nation.

The above provision shall not in any way affect decisions as to whether a company of the above nature established in one of the two countries shall be accorded or refused the right to carry on trade or industry in the other, such right being subject in all cases to the laws and decrees in force in the respective countries.

After such authorisation has been given, the above-mentioned companies and associations shall not be subjected in the other country to duties, taxes, or imposts of whatever description, other or higher than those which are or may be levied upon companies and associations of the latter country.

Article 7.

The economic and customs union shall be effected in the following manner

(1) The two Governments shall appoint a joint Commission on equal terms, which will draw up a common customs tariff and a uniform customs legislation for the two

countries within three months from the date of the coming into force of the present Treaty.

(2) The common customs tariff drawn up by the joint commission shall be ratified by the competent bodies of the two States and incorporated in the present Treaty as an integral part thereof, in the form of an additional protocol.

(3) As soon as the common customs tariff shall have come into force in the two countries, the produce of the soil, of agriculture and industry in the two Contracting Countries shall, except in the cases provided for in Paragraph 4 of the present Article, be exempt in the territory of the other Contracting Party from all import and export duties ;

(4) Pending the establishment of uniform legislation concerning monopolies and indirect taxes by the joint commission, and pending the ratification of a special agreement by the legislative bodies of the two Contracting Parties, the privileges granted under Paragraph 3 of the present Article shall not be applicable to products which constitute a State monopoly, or which are subject to excise or indirect taxes, such as alcoholic beverages, including wines, beer, yeast, tobacco, matches, etc.

Article 8.

No discrimination shall be made between the nationals of the two Contracting Parties in regard to the costs of transport or any other charges on the railways and navigable waterways, or in regard to the conditions of their application and the treatment of passengers, baggage and goods in general.

Article 9.

Vessels and their cargoes in the territorial waters or in the territory of the other Contracting Party shall enjoy the same treatment as national vessels and their cargoes irrespective of their place of departure or destination.

The above provisions shall not apply :

(1) To certain duties which each of the Contracting Parties levies or may levy upon fisheries and fishery products ;

(2) To facilities, rebates or reductions, which either Contracting Party may grant to its nationals to encourage national ship-building ;

(3) To facilities granted to coasting and towing.

All privileges and facilities which may be granted by one of the Contracting Parties to another Power shall also be granted to the other Contracting Party.

Article 10.

The tonnage certificates issued by one of the Contracting Parties shall be accepted by the other Party, provided that the tonnage measurements are based on the Moorsom system.

The Contracting Parties undertake to conclude within three months an arrangement dealing with the methods for calculating the deduction to be made from the gross tonnage.

Article 11.

The nationals of one of the Contracting Parties who may desire to secure ownership of their trade-marks in the other State must register such trade-marks exclusively with the competent

authorities : in the case of Esthonian trade-marks at Riga, and in the case of Latvian trade-marks at Reval.

In case of doubt or dispute it is agreed that trade-marks within the meaning of the present Article shall be marks which have been legitimately granted in accordance with the laws of the country in each of the Contracting States to manufacturers and traders employing such marks.

Any reproduction in one of the Contracting States of the trade marks affixed in the other to certain goods as proof of their origin and quality and also any sale of or traffic in products bearing Esthonian or Latvian trade-marks imitated in any foreign country shall be prohibited in the territory of the two Contracting Parties and shall be subject to the penalties enacted by the laws of the country.

The illegal transactions mentioned in the present Article may, in the courts and according to the laws of the country in which they have been committed, be made the subject of an action for damages brought in good and due form by the aggrieved party against any person who may have been guilty thereof.

Article 12.

The nationals of each of the Contracting Parties victims of accidents during their work in an industrial establishment situated in the territory of the other Party and the assigns of such persons shall, in matters relating to compensation for losses resulting from such accidents, be granted the benefit of the same compensations and guarantees as are accorded to its own nationals by the laws of the State in which the accident takes place.

Article 13.

Any disputes or differences of opinion which may arise between the two Contracting Parties concerning the application and interpretation of the present Treaty shall be settled by a mixed arbitral tribunal. The arbitral tribunal shall be constituted *ad hoc* and shall include an equal number of representatives of both Parties. If these representatives fail to arrive at an agreement, they shall appeal to a third arbiter, who shall be appointed, if necessary, at their request, by the President of the Permanent Court of International Justice.

Article 14.

The present Treaty shall be ratified by the legislative bodies of the Contracting Parties and shall come into force three days after the exchange of the instruments of ratification at Riga. It shall remain in force pending the coming into force of the definitive treaty for the economic and customs union.

In faith whereof, the plenipotentiaries of the two Contracting Parties have signed and affixed their seals to the present Treaty.

Done in duplicate in French and signed at Reval on the first day of November, one thousand nine hundred and twenty three.

(Signed) Z. A. MEIEROVICS.

(Signed) FR. AKEL.