

No. 3566

**CANADA
and
UNION OF SOVIET SOCIALIST REPUBLICS**

**Trade Agreement (with exchange of notes). Signed at
Ottawa, on 29 February 1956**

Official texts: English and Russian.

Registered by Canada on 17 October 1956.

**CANADA
et
UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES**

**Accord de commerce (avec échange de notes). Signé à
Ottawa, le 29 février 1956**

Textes officiels anglais et russe.

Enregistré par le Canada le 17 octobre 1956.

No. 3566. TRADE AGREEMENT¹ BETWEEN CANADA AND
THE UNION OF SOVIET SOCIALIST REPUBLICS
SIGNED AT OTTAWA, ON 29 FEBRUARY 1956

The Government of Canada and the Government of the Union of Soviet Socialist Republics,

Desiring to develop trade relations between the two countries on the basis of equality and reciprocal advantages,

Have resolved to conclude an Agreement which will regulate the commercial relations between Canada and the Union of Soviet Socialist Republics,

Have accordingly appointed their respective representatives for this purpose who have agreed as follows :

Article 1

Each Contracting Party shall accord to the other Contracting Party unconditional most-favoured-nation treatment in all matters with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation and with respect to the method of levying such duties and charges, with respect to the rules and formalities connected with importation or exportation, and with respect to all internal taxes or internal charges of any kind, and with respect to all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported goods within the territory of such Contracting Party.

Accordingly, products of each Contracting Party imported into the territory of the other Contracting Party shall not be subject, in regard to the matters referred to in the first paragraph of this Article, to any duties, taxes or charges other or higher, or to any rules or formalities more burdensome, than those to which like products of any third country are or may hereafter be subject.

Similarly, products exported from the territory of a Contracting Party and consigned to the territory of the other Contracting Party shall not be subject, in regard to matters referred to in the first paragraph of this Article, to any duties, taxes or charges other or higher, or to any rules or formalities more burdensome,

¹ Came into force provisionally on 29 February 1956, the date of signature, and definitively on 26 May 1956, by the exchange of the instruments of ratification at Moscow, in accordance with article 9.

than those to which like products when consigned to the territory of any third country are or may hereafter be subject.

Any advantage, favour, privilege or immunity which has been or may hereafter be granted by either Contracting Party, in regard to the matters referred to in the first paragraph of this Article, to any product of any third country shall be accorded immediately and without compensation to like products originating in the territory of the other Contracting Party, and irrespective of the nationality of the carrier.

Each Contracting Party shall accord to the other Contracting Party most-favoured-nation treatment with respect to sales or purchases involving exports or imports.

Article 2

Each Contracting Party shall accord to the products of the other Contracting Party, which have been in transit through the territory of any third country receiving most-favoured-nation treatment from the importing country, treatment no less favourable than that which would have been accorded to such products had they been transported from their place of origin to their destination without going through the territory of such third country. Each Contracting Party shall, however, be free to maintain its requirements of direct consignment existing on the date of signature of the present Agreement in respect of any goods in regard to which such direct consignment has relation to that Contracting Party's prescribed method of valuation for duty purposes.

Article 3

No prohibitions or restrictions shall be applied by either Contracting Party on the importation or exportation of any product from or to the territory of the other Contracting Party which are not similarly applied to the importation or exportation of the like product from or to the territories of all third countries except for import or exchange restrictions applicable to all countries in like circumstances for the purpose of safeguarding the external financial position and balance of payments.

The provisions of the present Agreement shall not limit the right of either Contracting Party to apply prohibitions or restrictions of any kind directed to the protection of its essential security interests.

Article 4

The merchant vessels of each Contracting Party and the cargoes of such vessels shall upon arrival at and departure from the seaports of the other Contracting Party and during the time spent in such seaports enjoy the treatment accorded to the most-favoured-nation.

The provisions of this Article shall not apply to the performance of harbour services including pilotage and towing, nor to coastal shipping.

Article 5

Canadian citizens and other natural persons domiciled and carrying on business in Canada and juridical persons constituted in accordance with the laws in force in Canada shall, when engaged in business activity in the territory of the Union of Soviet Socialist Republics personally or through their appointed representatives under conditions prescribed by the laws in force in the USSR, enjoy in respect of their persons and their property treatment according to law no less favourable than that accorded to the natural and juridical persons of any other state.

Soviet citizens and Soviet business organizations and other juridical persons constituted in accordance with the laws in force in the USSR shall, when engaged in business activity in the territory of Canada personally or through their appointed representatives under conditions prescribed by the laws in force in Canada, enjoy in respect of their persons and their property treatment according to law no less favourable than that accorded to the natural and juridical persons of any other state.

The natural and juridical persons specified in this Article shall enjoy access to the courts of the other Contracting Party on the same basis as natural and juridical persons of any other state.

Article 6

Canadian citizens and other natural persons domiciled and carrying on business in Canada and juridical persons constituted in accordance with the laws in force in Canada, on the one hand, and Soviet citizens and Soviet business organizations and other juridical persons constituted in accordance with the laws in force in the USSR, on the other hand, may agree that disputes arising out of commercial transactions shall be settled by arbitration.

Article 7

The provisions of the present Agreement relating to most-favoured-nation treatment shall not apply to exclusive advantages accorded by Canada to members of the British Commonwealth of Nations, including their dependent territories, and to the Republic of Ireland.

Article 8

The Government of each Contracting Party shall give sympathetic consideration to any representations which the Government of the other Contracting Party may make in respect of the implementation of the present Agreement.

Article 9

The present Agreement shall be ratified by both Contracting Parties and shall enter into force definitively on the date of the exchange of the instruments of ratification. The exchange of the instruments of ratification shall take place in Moscow within ninety days of the date of signature.

The present Agreement shall however enter into force provisionally on the date of its signature.

The present Agreement shall remain in force for a period of three years from the date of signature. It may be extended for a further period if both Contracting Parties agree thereto not less than three months prior to the expiration of the aforesaid period of three years.

DONE at Ottawa this 29 day of February 1956, in duplicate, in the English and Russian languages, both equally authentic.

By authority
of the Government of Canada :

C. D. HOWE
L. B. PEARSON

By authority
of the Government of the Union
of Soviet Socialist Republics :
S. A. BORISOV

EXCHANGE OF NOTES

I

Ottawa, February 29, 1956

Sir,

On the occasion of signing the Trade Agreement¹ between Canada and the Union of Soviet Socialist Republics, I have the honour to inform you that the Government of Canada reserves the right to fix under the Canadian Customs Act values of goods for ordinary and special duty in the following terms :

(a) If, as a result of the obligations incurred by Canada under the aforesaid Agreement, any product is being imported or is likely to be imported into Canada in such quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or directly competitive products, the Government of Canada shall be free, in respect of such product and to the extent and for such time as may be necessary to prevent or remedy such injury, to fix values for ordinary and special duty purposes;

(b) In determining whether values should be established in respect of any product pursuant to paragraph (a) and in determining the level at which such values should be fixed, the Government of Canada will take into account the prices of like or directly competitive products, if any, being imported at that time from other countries, in order to maintain the most-favoured-nation treatment stipulated in Article 1 of the above mentioned Trade Agreement between Canada and the USSR.

(c) Before the Government of Canada takes action pursuant to paragraph (a) it will give notice in writing to the Government of the USSR as far in advance as may be practicable and will afford the latter an opportunity to consult with it in respect of the proposed action. In critical circumstances where delay would cause damage which it would be difficult to repair, action under paragraph (a) may be taken provisionally without prior consultation, on the condition that consultation shall take place immediately after taking such action.

Accept, Sir, the assurances of my highest consideration.

(Signed) L. B. PEARSON

S. A. Borisov, Esquire
First Deputy Minister for Foreign Trade
of the Union of Soviet Socialist Republics
Ottawa

¹ See p. 166 of this volume.

Имею честь сообщить, что содержание вышеуказанного письма принято к сведению.

Примите, Господин, уверения в моем высоком к Вам уважении.

С. А. БОРИЗОВ

Господину Л. Б. Пирсону
Министру Иностранных Дел
Оттава

[TRANSLATION¹ — TRADUCTION²]

Ottawa, February 29, 1956

Sir,

I have the honour to acknowledge receipt of your letter of this date which reads as follows :

[See note I]

I have the honour to inform you that the contents of the above mentioned letter have been duly noted.

Accept, Sir, the assurances of my highest consideration.

(Signed) S. A. BORISOV

The Honourable L. B. Pearson
Secretary of State for External Affairs
Ottawa

III

Ottawa, February 29, 1956

Sir,

On the occasion of signing the Trade Agreement between the Government of the Union of Soviet Socialist Republics and the Government of Canada, I have the honour to confirm the agreement reached to the effect that the Soviet foreign trade organizations will buy from Canada, during the three years dating from the signature of this Agreement, between 1,200,000 and 1,500,000 metric tons of wheat in annual amounts of between 400,000 and 500,000 tons. The quantity of wheat between 400,000 and 500,000 tons purchased by the Soviet Union during each of the second and third years of the validity of the Agreement shall be finally determined with due account being taken of the volume of sales of Soviet goods in Canada and Canadian purchases thereof.

¹ Translation by the Government of Canada.

² Traduction du Gouvernement canadien.