

No. 3111

**UNION OF SOVIET SOCIALIST REPUBLICS
and
LEBANON**

**Trade and Payments Agreement (with exchange of letters).
Signed at Beirut, on 30 April 1954**

Official texts: Russian and Arabic.

Registered by the Union of Soviet Socialist Republics on 3 January 1956.

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
LIBAN**

**Accord relatif aux échanges commerciaux et aux paiements
(avec échange de lettres). Signé à Beyrouth, le 30 avril
1954**

Textes officiels russe et arabe.

Enregistré par l'Union des Républiques socialistes soviétiques le 3 janvier 1956.

[TRANSLATION — TRADUCTION]

No. 3111. TRADE AND PAYMENTS AGREEMENT¹ BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE LEBANESE REPUBLIC. SIGNED AT BEIRUT, ON 30 APRIL 1954

The Government of the Union of Soviet Socialist Republics and the Government of the Lebanese Republic, desiring to develop and strengthen trade relations between their two countries on a basis of equality and mutual benefit, have agreed as follows :

Article 1

The trade relations between the Union of Soviet Socialist Republics and the Lebanese Republic shall be based on the principle of respect for each other's commercial interests and any contracts concluded within the limits of the schedules referred to in article 2 shall be effected on the basis of an equal trade balance between the two countries.

The Governments of the Union of Soviet Socialist Republics and the Lebanese Republic shall study and deal in a spirit of genuine co-operation with any proposals which either Party may wish to put forward for the purpose of strengthening trade relations and promoting the development of trade between the USSR and Lebanon within the limits of the export and import regulations in force in each country.

Article 2

The exchange of goods between the USSR and the Lebanese Republic shall be effected on the basis of schedules A and B² annexed and of letters I and II³ which shall constitute an integral part of this Agreement.

Schedule A enumerates the goods intended for export to the Lebanese Republic and schedule B enumerates the goods intended for export to the USSR.

Schedules A and B may be amended by agreement between the Contracting Parties.

¹ Came into force on 12 September 1954, five days after the exchange of the instruments of ratification, in accordance with article 18. The exchange of the instruments of ratification took place at Beirut on 6 September 1954.

² See pp. 142 and 144 of this volume.

³ See pp. 144 and 146 of this volume.

Article 3

The competent authorities of the two Governments shall issue, without restriction, the necessary import and export licences for the goods enumerated in schedules A and B, in accordance with the laws in force.

Article 4

The provisions of article 2 shall not affect the right of Soviet foreign-trade organizations and Lebanese individuals and bodies corporate to conclude with each other, subject to compliance with the regulations in force in the two countries regarding importation, exportation and currency control, commercial contracts for the import or export of goods not included in the schedules referred to in article 2.

Soviet foreign-trade organizations and Lebanese individuals and bodies corporate may also, subject to compliance with the above-mentioned regulations, conclude contracts for the delivery of goods not included in schedules A and B, for which payment is to be made in a free currency.

The competent authorities of the two Parties shall consider in a spirit of genuine co-operation any requests relating to the importation and exportation of goods under the contracts provided for in this article.

Article 5

Goods originating in or imported from the territory of the Union of Soviet Socialist Republics shall be entitled, on importation into the territory of the Lebanese Republic, to minimum tariff rates and shall not be liable to any import duties, taxes or charges higher than those imposed on goods imported from any third State, with the exception of the countries adjacent to the Lebanese Republic and of Egypt, Iraq, Jordan, Libya, Saudi Arabia and Yemen.

Goods originating in or imported from the territory of the Lebanese Republic shall not be liable, on importation into the territory of the Union of Soviet Socialist Republics, to import duties, taxes or charges higher than those imposed on goods imported from any third State, with the exception of the countries adjacent to the Union of Soviet Socialist Republics.

These provisions shall not extend to goods imported from the USSR but originating in countries which do not enjoy most-favoured-nation treatment in Lebanon, or to goods imported from Lebanon but originating in countries which do not enjoy most-favoured-nation treatment in the USSR.

Most-favoured-nation treatment shall also be applied with respect to customs regulations and formalities concerning the importation, exportation, conveyance in transit, warehousing and transshipment of goods being exported or imported or in transit, and to any charges connected with these operations.

Article 6

Goods which are being imported from the USSR into the territory of the Lebanese Republic and are conveyed in transit through the territory of one or more third countries, and goods which are being imported from the Lebanese Republic into the territory of the USSR and are conveyed in transit through one or more third countries shall not be liable to any treatment other than that to which they would have been liable if they had been imported directly from their country of origin or export.

Article 7

The merchant vessels of each Contracting Party and their cargo shall enjoy, in the seaports of the other Contracting Party, the same treatment in all respects as the merchant vessels and cargoes of the most-favoured nation. The Contracting Parties shall grant each other, in their ports, most-favoured-nation treatment with regard to the entering, clearing and stationing of their vessels and cargoes.

Article 8

The most-favoured-nation treatment provided for in articles 5, 6 and 7 shall not extend to :

(1) the privileges and immunities which have been or may hereafter be granted by the Lebanese Republic in that connexion to adjacent countries and to Egypt, Iraq, Jordan, Libya, Saudi Arabia and Yemen;

(2) the privileges and immunities which have been or may hereafter be granted by the USSR in that connexion to countries adjacent to it.

Article 9

The Contracting Parties shall do everything in their power to promote the development of the transit trade of interest to both countries through their respective territories, subject to compliance with the laws and regulations regarding transit in force in each country.

The Government of the Lebanese Republic shall guarantee to the trade organizations of the USSR the use of the free zones of Lebanon for the ware-

housing, processing, distribution and reforwarding of goods and for other commercial purposes in accordance with the laws and regulations governing these operations.

Article 10

Payments between the Union of Soviet Socialist Republics and the Lebanese Republic shall be effected, in the USSR, through the State Bank of the USSR and, in the Lebanese Republic through the Société nouvelle de la Compagnie algérienne de crédit et de banque.

For this purpose, the State Bank of the USSR, acting on behalf of the Government of the Union of Soviet Socialist Republics, shall open a special account in roubles in the name of the Société nouvelle de la Compagnie algérienne de crédit et de banque, and the Société nouvelle de la Compagnie algérienne de crédit et de banque, acting on behalf of the Government of the Lebanese Republic, shall open a special account in Lebanese pounds in the name of the State Bank of the USSR. These accounts shall be interest-free and shall not be subject to taxation.

Article 11

The provisions of article 10 shall extend to the following payments :

(a) payments for goods supplied in accordance with this Agreement, with the exception of goods supplied in accordance with the second paragraph of article 4;

(b) freight payments, insurance premiums and sums intended for the payment of duties and commissions;

(c) payments for expenses connected with the travel of official trade delegations;

(d) all other payments agreed upon by the Contracting Parties.

Article 12

Sums paid in by individuals, or bodies corporate in the USSR for the account of individuals or bodies corporate in the Lebanese Republic shall be credited to the account opened for the Société nouvelle de la Compagnie algérienne de crédit et de banque in the State Bank of the USSR. Upon receipt of advice of the crediting of its account the Société nouvelle de la Compagnie algérienne de crédit et de banque shall immediately effect payment of the said sums to the persons to whom they are due, debiting the account opened for the State Bank of the USSR in the Société nouvelle de la Compagnie algérienne de crédit et de banque, whether or not funds are available in that account.

Sums paid in by individuals or bodies corporate in the Lebanese Republic for the account of individuals or bodies corporate in the USSR shall be credited to the account opened for the State Bank of the USSR in the Société nouvelle de la Compagnie algérienne de crédit et de banque.

Upon receipt of advice of the crediting of its account, the State Bank of the USSR shall immediately effect payment of the said sums to the persons to whom they are due, debiting the account opened in the State Bank of the USSR for the Société nouvelle de la Compagnie algérienne de crédit et de banque, whether or not funds are available in that account.

Article 13

The conversion of roubles into Lebanese pounds and of Lebanese pounds into roubles shall be effected on the basis, on the one hand, of the gold content of the rouble (1 rouble = 0.222168 gramme of fine gold) and, on the other, of the average rate for telegraphic transfer of United States dollars (1 dollar = 0.888671 gramme of fine gold) in Lebanese pounds on the Beirut exchange at close of business on the day of payment.

If the gold content of the rouble is altered, the balance of the account in roubles of the Société nouvelle de la Compagnie algérienne de crédit et de banque with the State Bank of the USSR shall be adjusted in proportion to the change, and the rate of exchange between the rouble and the Lebanese pound shall be based on the new gold content of the rouble.

If there is any alteration of more than 2 per cent in the rate of exchange between the Lebanese pound and the United States dollar, the balance of the account in Lebanese pounds of the State Bank of the USSR with the Société nouvelle de la Compagnie algérienne de crédit et de banque shall be adjusted in proportion.

If the gold content of the United States dollar is altered, the representatives of the two Parties shall discuss what changes should be made in the balances of the two banks' accounts.

If the prices of goods are fixed in a currency other than roubles and Lebanese pounds, payments shall be made in roubles and Lebanese pounds through the agency of the two banks aforesaid. The currencies of third countries shall be converted :

- (a) into roubles — at the rate of exchange of the State Bank of the USSR;
- (b) into Lebanese pounds — at the average rate for telegraphic transfer in the currency concerned on the Beirut exchange at close of business on the day of payment.

The State Bank of the USSR and the Société nouvelle de la Compagnie algérienne de crédit et de banque shall together determine the technical methods of keeping the accounts and effecting the payments provided for in this Agreement.

Article 14

The balance of the accounts referred to in article 10 to the credit of either Party may not exceed 1,200,000 roubles or an equivalent sum in Lebanese pounds.

Should the said balance exceed that sum, representatives of the two Parties shall meet to draft recommendations for measures to liquidate the balance in excess.

Article 15

In the calculation of customs duties on goods invoiced in roubles, the conversion of roubles into Lebanese pounds shall be effected on the basis of the gold content of the rouble (1 rouble = 0.222168 gramme of fine gold) and of the gold content of the Lebanese pound (1 Lebanese pound = 0.405512 gramme of fine gold). In the event of any alteration of the gold content of the rouble or the Lebanese pound, the rate of conversion of roubles into Lebanese pounds shall be adjusted to correspond to the new gold content of the rouble and the Lebanese pound.

Article 16

At the request of either Contracting Government, meetings shall take place between representatives of the two Parties for the purpose of examining the manner in which this Agreement is being carried out and of drafting recommendations likely to promote the expansion of trade between the USSR and the Lebanese Republic.

Article 17

After the expiry of this Agreement, the State Bank of the USSR and the Société nouvelle de la Compagnie algérienne de crédit et de banque shall continue to accept payments for the credit of the accounts referred to in article 10 and to make payments from these accounts in accordance with this Agreement in respect of all contracts concluded during the period of its validity. If it is found that one of the Parties is a debtor under the accounts aforesaid, the said Party shall be obliged to liquidate the debit balance, within a period of six months from the date of expiry of this Agreement, by deliveries of goods to be agreed upon between the Parties.

If the debt is not liquidated by deliveries of goods within the said period of six months, the debtor Party shall liquidate it by the transfer of freely convertible currency. The conversion of the roubles or Lebanese pounds into the freely convertible currency shall be effected in the manner prescribed in the fifth paragraph of article 13.

Article 18

This Agreement shall be ratified as soon as possible. It shall enter into force five days after the exchange of the instruments of ratification, which shall take place at Moscow.

Article 19

The Agreement shall have effect for one year from the date of its entry into force. It shall be renewed by tacit consent from year to year unless either Contracting Party informs the other three months before the expiry of any one-year period of the Agreement's validity of its desire to terminate the Agreement.

DONE in duplicate, at Beirut, on 30 April 1954, in the Russian and Arabic languages, both texts being equally authentic.

By authorization
of the Government of the Union
of Soviet Socialist Republics :

(Signed) V. A. BELYAEV
(Signed) L. S. YEZHOV

By authorization
of the Government
of the Lebanese Republic :

(Signed) A. NAKKASH

*Annex to the Agreement of 30 april 1954
between the USSR and the Lebanese Republic*

SCHEDULE A

SOVIET GOODS INTENDED FOR EXPORT TO LEBANON

Machinery and industrial equipment
Miscellaneous electrical equipment
Passenger automobiles
Trucks
Motorcycles and bicycles
Rolled ferrous metals and metal manufactures
Electric motors and generators
Tractors and agricultural machinery
Sewing machines
Precision instruments
Photographic and cinematographic apparatus
Musical instruments
Chemical products
Inks and colours
Lumber
Articles of plastic materials
Medicines and pharmaceutical products
Glass and glassware, and ceramic products
Furs
Coal
Alcoholic beverages
Seeds for agricultural crops

Salted fish
 Fish preserves
 Tinned crab
 Asbestos
 Cinematograph films
 Newsprint and other paper
 Newspapers
 Magazines
 Books
 Wireless sets

*Annex to the Agreement of 30 April 1954
 between the USSR and the Lebanese Republic*

SCHEDULE B

LEBANESE GOODS INTENDED FOR EXPORT TO THE USSR

Oranges	Vegetable oil
Lemons	Oil-cake
Bananas	Tobacco in leaves
Apples	Woollen fabrics
Fresh fruit	Silk combings
Dried fruit	Skins and soles
Dried onions	Rawhides
Olive oil	Wool

EXCHANGE OF LETTERS

I

Beirut, 30 April 1954

Your Excellency,

With reference to the negotiations leading to the conclusion between our two countries of the Trade and Payments Agreement¹ of today's date, I have the honour to confirm that, in accordance with that Agreement, the total value of Soviet imports from Lebanon and the total value of Soviet exports to Lebanon on the basis of schedules A and B annexed to the Agreement shall, for the first year in which the Agreement is in force, be fixed respectively at 10 million Lebanese pounds and at a sum in roubles equivalent to 10 million Lebanese pounds. Transit operations shall not be included in this total.

¹ See p. 130 of this volume.

Furthermore, it is understood that the Soviet trade agencies will take the necessary measures to ensure that, during the first year in which the Agreement is in force, Lebanese exports of citrus fruits, apples and bananas constitute not less than 60 per cent of the total value of Lebanese goods exported to the USSR.

The volume of trade between the two countries in succeeding years and the percentage of citrus and other fruits exported by Lebanon shall be determined each year by common consent by an exchange of letters two months before the renewal of the Agreement.

I should be grateful if you would signify the agreement of the Government of the USSR to the foregoing.

I have the honour to be, etc.

(Signed) A. NAKKASH

Minister of Foreign Affairs of the Lebanese Republic

His Excellency the Envoy Extraordinary
and Minister Plenipotentiary of the USSR
Beirut

II

Beirut, 30 April 1954

Sir,

I have the honour to acknowledge the receipt of your letter of today's date in the following terms :

[See letter I]

I thank you for your kind letter, to which the Government of the USSR agrees, and I have the honour to be, etc.

(Signed) V. BELYAEV

The Minister of Foreign Affairs
of the Lebanese Republic
Beirut

III

Beirut, 30 April 1954

Sir,

With reference to the negotiations leading to the conclusion between our two countries of the Trade and Payments Agreement of today's date, I have the honour to confirm the agreement of the Government of the USSR to the following :

The Union of Soviet Socialist Republics shall maintain in Lebanon a Trade Delegation which shall form an integral part of the diplomatic mission of the USSR in the Lebanese Republic and shall have its headquarters at Beirut.

The Trade Delegation of the Union of Soviet Socialist Republics in the Lebanese Republic shall exercise the following functions; it will :

(a) promote the development of economic relations between the USSR and the Lebanese Republic;

(b) represent the interests of the Union of Soviet Socialist Republics in the Lebanese Republic in all matters relating to foreign trade;

(c) carry on trade between the USSR and the Lebanese Republic.

The Trade Delegate of the USSR and his two deputies shall enjoy all the rights and privileges accorded to members of diplomatic missions.

The premises occupied by the USSR Trade Delegation shall enjoy the immunities granted in respect of the premises of diplomatic missions. The Trade Delegation shall be entitled to use a cipher.

In addition to the USSR Trade Delegate and his two deputies, the employees of the Trade Delegation, up to a total of twelve persons, who are citizens of the USSR, shall be exempt from Lebanese taxation on the emoluments which they receive in the service of the Government of the USSR.

The Trade Delegation shall act on behalf of the Government of the Union of Soviet Socialist Republics. The Government of the Union of Soviet Socialist Republics shall be responsible only for commercial contracts concluded or guaranteed in the Lebanese Republic by the Trade Delegation and signed by authorized persons.

The Trade Delegation shall communicate to the Ministry of Foreign Affairs of the Lebanese Republic the names of the persons authorized to take legal action on its behalf and information concerning the extent to which each such person is empowered to sign commercial contracts, so that this information may be published in the Government publication of the Lebanese Republic.

The immunities and privileges accorded to the Trade Delegation shall extend to its commercial activities, with the following exceptions :

(a) Disputes regarding commercial contracts concluded or guaranteed in the territory of the Lebanese Republic by the Trade Delegation shall, in the absence of an arbitration clause, be subject to the jurisdiction of the Lebanese courts and shall be settled in accordance with Lebanese law, save as otherwise provided by the terms of individual contracts. No interim orders may, however, be made against the Trade Delegation ;

(b) Final judicial decisions against the Trade Delegation in the aforementioned disputes may be enforced by execution ; nevertheless, such execution may be levied only on the Trade Delegation's goods, the claims outstanding to its credit, and its other assets directly attributable to the commercial transactions concluded by it.

I have the honour to be, etc.

(Signed) V. BELYAEV

The Minister of Foreign Affairs
of the Lebanese Republic
Beirut

IV

Beirut, 30 April 1954

Your Excellency,

With reference to the negotiations leading to the conclusion between our two countries of the Trade and Payments Agreement of today's date, I have the honour to confirm the agreement of the Lebanese Government to the following :

[See letter III]

I have the honour to be, etc.

(Signed) A. NAKKASH

Minister of Foreign Affairs of the Lebanese Republic

His Excellency the Envoy Extraordinary
and Minister Plenipotentiary of the USSR
Beirut