

N° 4204.

ÉTATS-UNIS D'AMÉRIQUE ET
UNION DES RÉPUBLIQUES
SOVIÉTIQUES SOCIALISTES

Echange de notes comportant un
accord commercial, Moscou, le
4 août 1937, et notes y annexées,
Moscou, les 2 et 5 août et
4 août 1937.

UNITED STATES OF AMERICA
AND UNION OF SOVIET
SOCIALIST REPUBLICS

Exchange of Notes constituting a
Commercial Agreement, Moscow,
August 4th, 1937, and Notes
annexed thereto, Moscow, August
2nd and 5th, and August 4th, 1937.

No. 4204. — EXCHANGE OF NOTES¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS CONSTITUTING A COMMERCIAL AGREEMENT. MOSCOW, AUGUST 4TH, 1937.

English official text communicated by the Envoy Extraordinary and Minister Plenipotentiary of the United States of America at Berne. The registration of this Exchange of Notes took place October 20th, 1937.

I.

MOSCOW, August 4th, 1937.

EXCELLENCY,

With reference to recent conversations which have taken place in regard to commerce between the United States of America and the Union of Soviet Socialist Republics, I have the honor to confirm and to make of record by this note the following Agreement which has been reached between the Governments of our respective countries :

One. The United States of America will grant to the Union of Soviet Socialist Republics unconditional and unrestricted most-favored-nation treatment in all matters concerning Customs duties and charges of every kind and in the method of levying duties and, further, in all matters concerning the rules, formalities and charges imposed in connection with the clearing of goods through the Customs, and with respect to all laws or regulations affecting the sale or use of imported goods within the country.

Accordingly, natural or manufactured products having their origin in the Union of Soviet Socialist Republics shall in no case be subject, in regard to the matters referred to above, to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products having their origin in any third country are or may hereafter be subject.

Similarly, natural or manufactured products exported from the territory of the United States of America and consigned to the territory of the Union of Soviet Socialist Republics shall in no case be subject with respect to exportation and in regard to the above-mentioned matters, to any duties, taxes, or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products when consigned to the territory of any third country are or may hereafter be subject.

Any advantage, favor, privilege or immunity which has been or may hereafter be granted by the United States of America in regard to the above-mentioned matters, to a natural or manufactured product originating in any third country or consigned to the territory of any third country shall be accorded immediately and without compensation to the like product originating in or consigned to the territory of the Union of Soviet Socialist Republics.

¹ Came into force August 6th, 1937.

¹ TRADUCTION. — TRANSLATION.

N^o 4204. — ÉCHANGE DE NOTES ² ENTRE LE GOUVERNEMENT DES ÉTATS-UNIS D'AMÉRIQUE ET LE GOUVERNEMENT DE L'UNION DES RÉPUBLIQUES SOVIÉTIQUES SOCIALISTES COMPORTANT UN ACCORD COMMERCIAL. MOSCOU, LE 4 AOUT 1937.

Texte officiel anglais communiqué par l'envoyé extraordinaire et ministre plénipotentiaire des Etats-Unis d'Amérique à Berne. L'enregistrement de cet échange de notes a eu lieu le 20 octobre 1937.

I.

MOSCOU, le 4 août 1937.

MONSIEUR LE COMMISSAIRE DU PEUPLE,

Me référant aux conversations récentes qui ont eu lieu au sujet du commerce entre les Etats-Unis d'Amérique et l'Union des Républiques soviétiques socialistes, j'ai l'honneur de confirmer et d'enregistrer, par la présente note, l'accord ci-après auquel sont parvenus les gouvernements de nos pays respectifs :

1. Les Etats-Unis d'Amérique accorderont à l'Union des Républiques soviétiques socialistes le traitement inconditionnel et illimité de la nation la plus favorisée pour tout ce qui concerne les droits de douane et taxes de toute sorte ainsi que le mode de perception des droits, de même pour tout ce qui concerne les règles, formalités et taxes relatives au dédouanement des marchandises et, enfin, à l'égard de tous les lois ou règlements régissant la vente ou l'usage des marchandises importées dans le pays.

En conséquence, les produits naturels ou manufacturés originaires de l'Union des Républiques soviétiques socialistes ne pourront en aucun cas, sous les rapports susvisés, être assujettis à des droits, taxes ou redevances autres ou plus élevés ni à des règles ou formalités autres ou plus onéreuses que ceux auxquels les produits similaires originaires d'un tiers pays quelconque sont ou pourront par la suite être assujettis.

De même, les produits naturels ou manufacturés exportés du territoire des Etats-Unis d'Amérique à destination de l'Union des Républiques soviétiques socialistes ne pourront en aucun cas, à l'exportation et sous les rapports susvisés, être assujettis à des droits, taxes ou redevances autres ou plus élevés ni à des règles ou formalités autres ou plus onéreuses que ceux auxquels les produits similaires expédiés à destination du territoire d'un tiers pays quelconque sont ou pourront par la suite être assujettis.

Tout avantage, faveur, privilège ou immunité accordé ou pouvant être accordé par la suite par les Etats-Unis d'Amérique, sous les rapports susvisés, pour un produit naturel ou manufacturé originaire d'un pays tiers ou destiné au territoire d'un pays tiers, sera immédiatement et sans compensation accordé au produit similaire originaire du territoire de l'Union des Républiques soviétiques socialistes ou expédié à destination de ce territoire.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

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

² Entré en vigueur le 6 août 1937.

It is understood that so long as and in so far as existing law of the United States of America may otherwise require, the foregoing provisions, in so far as they would otherwise relate to duties, taxes or charges on coal, coke manufactured therefrom, or coal or coke briquettes, shall not apply to such products imported into the United States of America. If the law of the United States of America shall not permit the complete operation of the foregoing provisions with respect to the above-mentioned products, the Union of Soviet Socialist Republics reserves the right within fifteen days after January 1st, 1938, to terminate this Agreement in its entirety on thirty days' written notice.

It is understood, furthermore, that the advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions, the Philippine Islands, or the Panama Canal Zone to one another or to the Republic of Cuba shall be excepted from the operation of this Agreement.

Nothing in this Agreement shall be construed to prevent the adoption of measures prohibiting or restricting the exportation or importation of gold or silver, or to prevent the adoption of such measures as the Government of the United States of America may see fit with respect to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional cases, all other military supplies. It is understood that any action which may be taken by the President of the United States of America under the authority of Section 2 (b) of the Neutrality Act of 1937 in regard to the passage of title to goods shall not be considered as contravening any of the provisions of this Agreement relating to the exportation of natural or manufactured products from the territory of the United States of America.

Subject to the requirement that no arbitrary discrimination shall be effected by the United States of America against importations from the Union of Soviet Socialist Republics and in favor of those from any third country, the foregoing provisions shall not extend to prohibitions or restrictions (1) imposed on moral or humanitarian grounds, (2) designed to protect human, animal, or plant life, (3) relating to prison-made goods, or (4) relating to the enforcement of police or revenue laws.

Two. On its part the Government of the Union of Soviet Socialist Republics will take steps to increase substantially the amount of purchases in the United States of America for export to the Union of Soviet Socialist Republics of articles the growth, produce, or manufacture of the United States of America.

Three. This Agreement shall come into force on the day of proclamation thereof by the President of the United States of America and of approval thereof by the Soviet of People's Commissars of the Union of Soviet Socialist Republics, which proclamation and approval shall take place on the same day. It shall continue in effect for twelve months. Both Parties agree that not less than thirty days prior to the expiration of the aforesaid period of twelve months they shall start negotiations regarding the extension of the period during which the present Agreement shall continue in force.

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

Joseph E. DAVIES,
*Ambassador Extraordinary and Plenipotentiary
of the United States of America.*

His Excellency
Maxim Litvinoff,
People's Commissar for Foreign Affairs,
Moscow.

II.

Moscow, August 4th, 1937.

MR. AMBASSADOR,

With reference to recent conversations which have taken place in regard to commerce between the Union of Soviet Socialist Republics and the United States of America, I have the honor to confirm and to make of record by this note the following Agreement which has been reached between the Governments of our respective countries :

One. The United States of America will grant to the Union of Soviet Socialist Republics unconditional and unrestricted most-favored-nation treatment in all matters concerning Customs duties and charges of every kind and in the method of levying duties, and, further, in all matters concerning the rules, formalities, charges imposed in connection with the clearing of goods through the Customs, and with respect to all laws or regulations affecting the sale or use of imported goods within the country.

Accordingly, natural or manufactured products having their origin in the Union of Soviet Socialist Republics shall in no case be subject, in regard to the matters referred to above, to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products having their origin in any third country are or may hereafter be subject.

Similarly, natural or manufactured products exported from the territory of the United States of America and consigned to the territory of the Union of Soviet Socialist Republics shall in no case be subject with respect to exportation and in regard to the above-mentioned matters, to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products when consigned to the territory of any third country are or may hereafter be subject.

Any advantage, favor, privilege or immunity which has been or may hereafter be granted by the United States of America in regard to the above-mentioned matters, to a natural or manufactured product originating in any third country or consigned to the territory of any third country shall be accorded immediately and without compensation to the like product originating in or consigned to the territory of the Union of Soviet Socialist Republics.

It is understood that so long as and in so far as existing law of the United States of America may otherwise require, the foregoing provisions, in so far as they would otherwise relate to duties, taxes or charges on coal, coke manufactured therefrom, or coal or coke briquettes, shall not apply to such products imported into the United States of America. If the law of the United States of America shall not permit the complete operation of the foregoing provisions with respect to the above-mentioned products, the Union of Soviet Socialist Republics reserves the right within fifteen days after January 1st, 1938, to terminate this Agreement in its entirety on thirty days' written notice.

It is understood, furthermore, that the advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions, the Philippine Islands, or the Panama Canal Zone to one another or to the Republic of Cuba shall be excepted from the operation of this Agreement.

Nothing in this Agreement shall be construed to prevent the adoption of measures prohibiting or restricting the exportation or importation of gold or silver, or to prevent the adoption of such measures as the Government of the United States of America may see fit with respect to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional cases, all other military supplies. It is understood that any action which may be taken by the President of the United States of America

under the authority of Section 2 (b) of the Neutrality Act of 1937 in regard to the passage to title to goods shall not be considered as contravening any of the provisions of this Agreement relating to the exportation of natural or manufactured products from the territory of the United States of America.

Subject to the requirement that no arbitrary discrimination shall be effected by the United States of America against importations from the Union of Soviet Socialist Republics and in favor of those from any third country, the foregoing provisions shall not extend to prohibitions or restrictions (1) imposed on moral or humanitarian grounds, (2) designed to protect human, animal, or plant life, (3) relating to prison-made goods, or (4) relating to the enforcement of police or revenue laws.

Two. On its part the Government of the Union of Soviet Socialist Republics will take steps to increase substantially the amount of purchases in the United States of America for export to the Union of Soviet Socialist Republics of articles the growth, produce, or manufacture of the United States of America.

Three. This Agreement shall come into force on the day of proclamation thereof by the President of the United States of America and of approval thereof by the Soviet of People's Commissars of the Union of Soviet Socialist Republics, which proclamation and approval shall take place on the same day. It shall continue in effect for twelve months. Both Parties agree that not less than thirty days prior to the expiration of the aforesaid period of twelve months they shall start negotiations regarding the extension of the period during which the present Agreement shall continue in force.

Accept, Mr. Ambassador, the renewed assurances of my highest consideration.

M. LITVINOFF.

Mr. Joseph E. Davies,
Ambassador of the United States of America,
Moscow.

RELATED NOTES.

I. CONCERNING THE AMOUNT OF PURCHASES TO BE MADE BY THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE UNITED STATES OF AMERICA.

The American Ambassador (Davies) to the People's Commissar for Foreign Affairs (Litvinoff).

EMBASSY OF THE UNITED STATES
OF AMERICA.

Moscow, August 2nd, 1937.

EXCELLENCY,

I have the honor to refer to our recent conversations in regard to the commerce between the United States of America and the Union of Soviet Socialist Republics and to ask you to let me know the value of articles, the growth, produce, or manufacture of the United States of America

which the Government of the Union of Soviet Socialist Republics intends to purchase in the United States of America during the next twelve months for export to the Union of Soviet Socialist Republics.

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

Joseph E. DAVIES,
*Ambassador of the United States
of America.*

His Excellency
Maxim Litvinoff,
People's Commissar for Foreign Affairs,
Moscow.

The People's Commissar for Foreign Affairs (Litvinoff) to the American Ambassador (Davies).

Moscow, August "5", 1937.

MR. AMBASSADOR,

In reply to your inquiry regarding the intended purchases by the Union of Soviet Socialist Republics in the United States of America in the course of the next twelve months, I have the honour to inform you that, according to information received by me from the People's Commissariat for Foreign Trade, the economic organizations of the Union of Soviet Socialist Republics intend to buy in the United States of America in the course of the next twelve months American goods to the amount of at least forty million dollars.

Accept, Mr. Ambassador, the renewed assurances of my highest consideration.

M. LITVINOFF.

Mr. Joseph E. Davies,
Ambassador of the United States of America,
Moscow.

2. EXEMPTION FROM EXCISE TAX OF COAL, COKE, AND COAL OR COKE BRIQUETTES
IMPORTED INTO THE UNITED STATES FROM THE UNION OF SOVIET SOCIALIST REPUBLICS.

The American Ambassador (Davies) to the People's Commissar for Foreign Affairs (Litvinoff).

EMBASSY OF THE UNITED STATES
OF AMERICA.

Moscow, August 4th, 1937.

EXCELLENCY,

With reference to the Agreement concerning commerce between the United States of America and the Union of Soviet Socialist Republics which has been signed today, I have the honor to state that the Embassy has been informed that in view of the wording of Section I of the Agreement, the authorities of the Treasury Department of the United States will hold that coal of all sizes,

grades, and classifications (except culm and duff), coke manufactured therefrom, and coal or coke briquettes, imported from the Union of Soviet Socialist Republics will be exempt from the excise tax provided in Section 601 (c) (5) of the Revenue Act of 1932, as amended, subject, however, to possible adverse action by the courts.

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

Joseph E. DAVIES,
*Ambassador of the United States
of America.*

His Excellency
Maxim Litvinoff,
People's Commissar for Foreign Affairs,
Moscow.

The People's Commissar for Foreign Affairs (Litvinoff) to the American Ambassador (Davies).

Moscow, August 4th, 1937.

DEAR MR. AMBASSADOR,

In reply to your inquiry regarding the intended exports of Soviet coal to the United States during the ensuing twelve months, I may state that, according to information received by me from the People's Commissariat for Foreign Trade, the economic organizations of the Union of Soviet Socialist Republics will not in any case export to the United States during the year beginning August 6th, 1937, more than 400,000 tons of Soviet coal.

Sincerely yours,

M. LITVINOFF.

Mr. Joseph E. Davies,
Ambassador of the United States of America,
Moscow.

Certified to be true and complete textual copies of the original Notes in the sole language in which they were signed, and of related Notes.

For the Secretary of State
of the United States of America :

Edward Yardley,
Chief Clerk and Administrative Assistant.