

N° 4069.

**IRAN ET
UNION DES RÉPUBLIQUES
SOVIÉTIQUES SOCIALISTES**

Traité d'établissement, de commerce
et de navigation, avec protocole
final et annexe, signés à Téhéran,
le 27 août 1935, et échange de
notes y relatif de la même date.

**IRAN
AND UNION OF SOVIET
SOCIALIST REPUBLICS**

Treaty of Establishment, Commerce
and Navigation, with Final Proto-
col and Annex, signed at Teheran,
August 27th, 1935, and Exchange
of Notes relating thereto of the
same Date.

¹ TRADUCTION. — TRANSLATION.

No. 4069. — TREATY ² OF ESTABLISHMENT, COMMERCE AND NAVIGATION BETWEEN IRAN AND THE UNION OF SOVIET SOCIALIST REPUBLICS. SIGNED AT TEHERAN, AUGUST 27TH, 1935.

French official text communicated by the People's Commissary for Foreign Affairs of the Union of Soviet Socialist Republics. The registration of this Treaty took place March 9th, 1937.

THE CENTRAL EXECUTIVE COMMITTEE OF THE UNION OF SOVIET SOCIALIST REPUBLICS and HIS IMPERIAL MAJESTY THE SHAHINSHAH OF IRAN,

Being equally desirous of regulating the conditions of travel, sojourn and residence of nationals of the Union of Soviet Socialist Republics in Iran and of Iranian nationals in the Union of Soviet Socialist Republics and also of developing economic activity and commercial relations between the two countries,

Have resolved to conclude a Treaty of Establishment, Commerce and Navigation and have for that purpose appointed as their Plenipotentiaries :

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

His Excellency Monsieur A. S. TCHERNYKH, Ambassador Extraordinary and Plenipotentiary of the Union of Soviet Socialist Republics in Iran ;
Monsieur M. L. CHOSTAK, Trade Delegate of the Union of Soviet Socialist Republics in Iran ;

HIS IMPERIAL MAJESTY THE SHAHINSHAH OF IRAN :

His Excellency S. B. KAZEMI, His Minister for Foreign Affairs ;
His Excellency Mozaffar AALAM, Director-General of the Department of Commerce ;

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

Article I.

Nationals of either Contracting Party shall have the right to enter the territory of the other, to reside and travel there and to leave the country, with complete freedom, on condition that they observe the laws and regulations in force in those territories. In no case shall they be subject in this respect to conditions less favourable than those to which nationals of the most-favoured nation are or may in future be subject.

The provisions of the present Article shall in no way affect either the regulations which are or may in future be in force with regard to passports, or the right of each of the Contracting Parties to take measures at any time to regulate or prohibit immigration into its territory, provided that such regulations and measures are prescribed in respect of the nationals of all other countries.

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 The exchange of ratifications took place at Moscow, June 8th, 1936.

Furthermore, the provisions of the present Article shall in no way affect the right of each Contracting Party to prohibit, in individual cases, nationals of the other to reside or settle in its territory, either as the result of a judicial decision or for reasons connected with the internal or external security of the State.

Article II.

Nationals of either Contracting Party shall, during their residence in the territory of the other, be exempt, in time of peace and of war, from all compulsory military or civilian service. Nevertheless, in the case of natural calamities they may be required to perform work.

They shall also be exempt from any contribution in money or in kind imposed as an equivalent for compulsory military or civilian service.

They shall also be exempt from all forced loans.

In general, with regard to all kinds of obligations imposed by either Contracting Party on foreigners residing within its territory and the exemptions connected therewith, the nationals of the other Contracting Party shall not be subject to conditions less favourable than those to which nationals of the most-favoured nation are or may in future be subject.

Article III.

Nationals of either Contracting Party shall, in the territory of the other, enjoy the same rights as nationals of the most-favoured nation with regard to the acquisition, possession, and disposal of property of every kind and the respect of the rights relating thereto and with regard to expropriation and requisitions.

Article IV.

Nationals of either Contracting Party in the territory of the other shall, provided that they observe the laws and regulations of the country, have the right to engage on the same conditions as nationals of the country, in any commerce, industry or trade which is in general allowed by law and not prohibited in the case of all foreigners ; in this respect they shall not be placed in a position less favourable than that of the nationals of the most-favoured nation.

Article V.

Nationals of either Contracting Party resident in the territory of the other shall be subject to the jurisdiction of the latter.

Nationals of either Contracting Party shall, on the same conditions as nationals of the country, enjoy the right to appear freely before courts of all degrees for the purpose of claiming or defending their rights ; they shall in no case be placed in this respect in a less favourable position than the nationals of the most-favoured nation.

Nationals of either Contracting Party in the territory of the other shall be entitled, when applying to courts in the country where they are resident for the defence of their rights, to appoint as their representatives, agents and counsel persons of their own choice from among those authorised to practise such professions, in conformity with the laws and regulations of the country.

The said nationals shall not, as regards the deposit of security for judicial costs and as regards the facilities granted to indigent persons, be placed in a less favourable position than nationals of the country or nationals of the most-favoured nation.

Article VI.

Inventions, trade marks, samples and industrial models belonging to nationals of either Contracting Party shall, in the territory of the other, be protected in conformity with the laws and regulations in force in that territory.

In respect of inventions, trade marks, samples and industrial models, and also in respect of protection from unfair competition, the nationals of either Contracting Party shall, in the territory of the other, enjoy the same rights as those which are or may in future be enjoyed by nationals of the country or nationals of the most-favoured nation.

Article VII.

The Contracting Parties agree to conclude as soon as possible special conventions relating to personal status, the protection of industrial property, the suppression of smuggling, arbitration in civil matters and judicial assistance between the two States.

Article VIII.

1. Commercial companies of all kinds and other economic organisations of Iranian nationality and constituted in Iran, in accordance with the laws of the country, including companies and organisations formed with the participation of State capital, shall be recognized in the territory of the Union of Soviet Socialist Republics as regards their legal existence, their capacity and their right to appear in court. They shall be allowed to conduct their business in the said territory without hindrance, it being understood that their right to effect transactions, and also those transactions themselves, shall be subject to the laws of the Union of Soviet Socialist Republics, whereas their form of constitution and their statutes shall remain subject to the laws of Iran. In all respects, they shall enjoy the same treatment in the territory of the Union of Soviet Socialist Republics as the commercial companies and other economic organisations of the most-favoured nation.

2. Commercial companies and other economic organisations having the nationality of the Union of Soviet Socialist Republics, and constituted in the Union of Soviet Socialist Republics in accordance with the laws of the country, including companies and organisations formed with the participation of State capital, shall be recognized in Iran as regards their legal existence, their capacity and their right to appear in court. They shall be allowed to conduct their business in the territory of Iran without hindrance, it being understood that their right to effect transactions, and also those transactions themselves, shall be subject to the laws of Iran, whereas their form of constitution and their statutes shall remain subject to the laws of the Union of Soviet Socialist Republics. In all respects, they shall enjoy the same treatment in the territory of Iran as the commercial companies and other economic organisations of the most-favoured nation.

3. The provisions of Articles 2 to 6 of the present Treaty shall apply respectively to the commercial companies and other economic organisations of the Contracting Parties mentioned in sections 1 and 2 of the present Article.

4. Nationals, commercial companies and economic organisations of the Union of Soviet Socialist Republics in Iran, and nationals, commercial companies and economic organisations of Iran in the Union of Soviet Socialist Republics may, subject to the conditions prescribed by the Customs regulations in force in the country, maintain warehouses of their own in places where they carry on their commercial activities, provided there are Customs offices in such places, and may therein store their goods with temporary exemption from Customs dues until the said goods are taken from the warehouse.

5. It is understood, however, that none of the provisions of the present Treaty shall authorise the commercial companies and other economic organisations of either Contracting Party mentioned in sections 1 and 2 of the present Article to claim the special privileges granted by the other Party

to companies the activities of which in its territory are or may in future be carried on under conditions regulated by special deeds of concession.

Article IX.

The Trade Delegation of the Union of Soviet Socialist Republics in Iran, which shall represent and protect the interests of the Union in all matters relating to its trade with Iran, regulate and effect the exchange of goods between the Union and Iran and promote the development of economic relations between the two countries, shall function on the basis of the following provisions :

The Trade Delegation of the Union of Soviet Socialist Republics in Iran, which shall have its official headquarters at Teheran, shall form part of the Embassy of the Union in Iran. The Trade Delegate and his two Deputies, being regarded as members of the Embassy of the Union, shall enjoy personal inviolability and the other immunities accorded to members of the Diplomatic Corps. The premises of the Trade Delegation at Teheran shall enjoy extra-territoriality.

Nevertheless, extra-territoriality shall not prevent the application of the following provisions :

The Government of the Union of Soviet Socialist Republics shall assume responsibility for all commercial transactions effected in Iran by the Trade Delegation. The responsibility for transactions effected by other State economic organisations of the Union of Soviet Socialist Republics shall be borne by the organisations in question.

Any dispute that may arise concerning the commercial transactions effected in Iran by the Trade Delegation shall be settled by the courts of Iran, in accordance with the laws of that country. Nevertheless, in view of the responsibility which the Union of Soviet Socialist Republics declares above that it assumes in respect of transactions effected by the Trade Delegation, it is agreed that precautionary judicial measures such as the deposit of security, the provisional execution of judicial orders and measures of an administrative nature shall not be applied in respect of the property of the Trade Delegation. Dstraint in execution of judicial decisions which have become legally enforceable shall not be levied on the property of the Trade Delegation, if such property is intended to give effect to the sovereign rights of the State, in accordance with the general rules of international law, or for use in connection with the official activities of the Trade Delegation as part of the Embassy of the Union of Soviet Socialist Republics.

The Trade Delegation shall, in agreement with the General Department of Commerce, open branches in Iran where it considers them necessary.

Article X.

The Contracting Parties, having taken into consideration the provisions of the laws and regulations regarding the foreign trade monopoly existing in the Union of Soviet Socialist Republics and regarding the foreign trade monopoly established in Iran, have agreed upon the following provisions :

1. The Government of the Union of Soviet Socialist Republics agrees to purchase the following goods from the Iranian Government during the period for which the present Treaty is in force : cotton, jute, wool, unworked hides and skins, rice and dried fruits. The Iranian Government shall take the necessary measures to ensure that the quantities of cotton, wool and hides and skins to be sold to the Government of the Union of Soviet Socialist Republics shall increase annually by from 10 to 15 per cent. The Imperial Iranian Government agrees, for its part, to purchase the following goods from the Government of the Union of Soviet Socialist Republics during the period for which the present Treaty is in force : sugar, matches, cotton goods, cement, black metals, agricultural machinery and implements, industrial plant for cotton-cleaning factories and rice-mills, plant for silos (elevators, mills and electric stations), together with all other industrial and technical plant, in such a manner that the total purchases by the Iranian Government from the Government of the Union of Soviet Socialist Republics shall be equivalent, over the whole period for which the present Treaty is in force, to the total purchases by the Government of the Union of Soviet Socialist Republics from the Iranian Government.

Contracts relating to the above-mentioned purchases and sales, specifying all the commercial and technical conditions, shall on each occasion be concluded by common agreement between the Trade Delegation of the Union of Soviet Socialist Republics and the Ministry of Finance of Iran.

2. Irrespectively of the above-mentioned operations, the Trade Delegation of the Union of Soviet Socialist Republics and all the Soviet economic organisations shall enjoy the right to participate in all tendering for contracts announced by Iranian Government institutions in connection with the purchase abroad of plant and equipment, in accordance with the general conditions (including any condition relating to exportation or exception concerning exportation) prescribed in regard to such tenders in respect of all participants.

3. The Union of Soviet Socialist Republics shall import into Iran all other goods up to the limit of the quotas specified in the annual list to be drawn up by agreement between the General Department of Commerce and the Trade Delegation of the Union of Soviet Socialist Republics, on the basis of the annual quotas announced by the Iranian Government.

At the time of the signature of the present Treaty, such a list shall be drawn up by agreement between the above-mentioned organisations.

During the period for which the present Treaty is in force, the said list shall be drawn up in the same manner at the end of each Iranian economic year, beginning on June 22nd.

When preparing the said lists, the organs mentioned in paragraph 1 of the present section shall take into consideration the necessity of maintaining therein the percentage of Soviet participation in the importation of each of the goods included in the list, in such a manner that the percentage of Soviet imports shall not fall below that in the first year's list.

When the annual list of Soviet quotas is being prepared, the Government of the Union of Soviet Socialist Republics may include in the list of goods the importation of which has been authorised by the Iranian Government for the current economic year all goods which were not included in the Soviet quotas for the preceding year.

The quantity of the said goods shall be fixed in agreement with the Department of Commerce.

If, in the course of the year, the Union of Soviet Socialist Republics desires to increase the quantity of any of the goods mentioned above, the said increase shall be made in agreement with the Department of Commerce.

It is understood that, if the importation of goods which were not included in the annual Soviet list is subject, in accordance with the general provisions, to special conditions, the importation of such goods by the Union of Soviet Socialist Republics shall also be subject to the same conditions prescribed for all.

It is agreed that if, in the course of one of the years during which the present Treaty is in force, the Government of Iran increases, by means of its quotas, the total quantity of a foreign product which may be imported into Iran, the Union of Soviet Socialist Republics shall receive its share in such increase, this being proportionate to the share it enjoyed in the importation of the said product before the increase in quantity.

In regard to goods the importation of which into Iran is not permitted at present and of which the importation may subsequently be authorised by quotas, the Contracting Parties agree that the Union of Soviet Socialist Republics shall, during the period for which the present Treaty is in force, receive its share in such importation, this being proportionate to the share it enjoyed in the importation of similar goods before the establishment in Iran of the foreign trade monopoly.

4. The Contracting Parties agree that, with the exception of natural and industrial products of Iran, the exportation of which is in general prohibited in respect of all third countries, the exportation of other products by the Soviet and mixed economic organisations shall be effected in accordance with the laws in force, and without let or hindrance.

It is agreed that natural and industrial products of Iran may be imported into the Union of Soviet Socialist Republics both by the Soviet and mixed economic organisations and by Iranian traders.

5. In view of the fact that trade between the Union of Soviet Socialist Republics and Iran will be conducted on the basis of the net balance between imports and exports, Iran agrees not to require the previous presentation of export certificates relating to Iranian goods as a condition for the issue of import licences requested by the Soviet and mixed economic organisations in respect of goods included in the list mentioned in section 3 of the present Article.

The Government of Iran shall, through the Department of Commerce, provide for the issue, without delay or formalities, of the licences requested by the Trade Delegation of the Union of Soviet Socialist Republics for the importation of goods specified in the list mentioned in section 3 of the present Article, which shall be regarded as a general licence.

6. The statement of imports from the Union of Soviet Socialist Republics shall not be drawn up from the import licences issued, but on the basis of a comparison between the actual imports by the Union of Soviet Socialist Republics into Iran and the actual exports from Iran to the Union of Soviet Socialist Republics.

In view of the fact that goods imported by the Union of Soviet Socialist Republics into Iran are sold at the price c.i.f., carriage paid to the frontier and that goods exported from Iran are bought at the price f.o.b., carriage paid to the frontier, the valuation of the goods imported into Iran through the ports of the Caspian Sea and across the common Irano-Soviet land frontiers shall be effected at the price c.i.f. Iranian port or carriage paid to the frontier, and the valuation of Iranian goods exported by way of the above-mentioned ports and frontiers at the price f.o.b. Iranian port or carriage paid to the frontier.

The valuation of Soviet goods imported across the other frontiers shall be effected in accordance with the general rules. Should any disputes arise in regard to the valuation of goods imported into Iran or exported from Iran, they shall be investigated and settled at Teheran by a committee consisting of representatives of the Department of Commerce, the General Customs Administration and the Trade Delegation of the Union of Soviet Socialist Republics.

Disputes shall be settled on the basis of the commercial and transport documents and other evidence and documents submitted by the Parties.

A dispute regarding the valuation of goods shall in no wise prevent goods imported or exported from being cleared from the Customs offices.

The valuation of goods exported from the Union of Soviet Socialist Republics to Iran and *vice versa* under contracts concluded between the Trade Delegation of the Union of Soviet Socialist Republics and the Ministry of Finance of Iran shall be effected on the basis of the prices specified in the contracts relating thereto.

Nevertheless, the statement of the balance in respect of the said goods shall be prepared on the basis of the sums actually received by each Party from the other.

It is understood that Soviet goods imported into Iran by Iranian traders shall be included in the quantity of Soviet goods shown in the annual list, and shall be taken into account in computing the net balance of trade between the two countries.

Similarly, Iranian goods imported into the Union of Soviet Socialist Republics by Iranian traders, in accordance with the laws in force in the Union regarding the foreign trade monopoly, shall be taken into account in computing the net balance of trade between the two countries.

For the purpose of drawing up the statement of imports and exports for the whole year and also for the purpose of drawing up the preliminary account of quarterly imports and exports a permanent committee, consisting of an equal number of representatives of the Department of Commerce and of the Trade Delegation of the Union of Soviet Socialist Republics, shall meet at Teheran. If, at the end of any quarter, a difference is shown in the statement of the net balance between imports and exports, the said difference shall be made up in the course of the following six months.

This regulation shall not apply to transactions effected under contracts concluded between the Ministry of Finance of Iran and the Trade Delegation of the Union of Soviet Socialist Republics and mentioned in section 1, the statement of the balance in respect of the goods in question being drawn up at the end of each Iranian economic year.

Nevertheless, the statement of imports and exports effected under the said contracts, which is drawn up at the end of the economic year, shall not include goods supplied on the basis of payment by instalments if the payments for such goods fall within another Iranian economic year. The goods in question shall be taken into account in the balance between imports and exports for the year in which the payments fall due.

7. It is understood that the equipment and articles required for the running of the Soviet or mixed economic institutions, in so far as such equipment and articles of the necessary quality are not produced in Iran, shall not, after their importation into Iran, in accordance with the Iranian law on the foreign trade monopoly, be included in the accounts relating to the net balance referred to in section 5 of the present Article, that is to say, they shall not be taken into account in the above-mentioned list, and shall not require to be covered by exports.

8. In view of the fact that trade between the Union of Soviet Socialist Republics and Iran is conducted on the basis of the net balance, the Iranian Government agrees that restrictions in regard to foreign exchange, should any such restrictions be introduced during the period for which the present Treaty is in force, shall not apply to the Soviet or mixed economic institutions.

In regard to carpets, the above-mentioned economic organisations shall enjoy the said exemption only to the extent of 20% of the total exports of Iranian carpets.

9. The Iranian Government agrees to guarantee to import from the Union of Soviet Socialist Republics, during the period for which the present Treaty remains in force, the quantity of petroleum and its derivatives specified in the list mentioned in section 3 of the present Article. The Iranian Government agrees to guarantee the right of the Government of the Union of Soviet Socialist Republics, during the period for which the present Treaty remains in force, and in conformity with the laws and regulations in force in Iran, to possess petrol pumps, petroleum tanks and other installations pertaining to the trade in petroleum products.

Article XI.

The Contracting Parties agree not to apply less favourable conditions in their respective territories to the trade, goods, economic organisations and nationals of the other Party than those applied to the trade, goods, economic organisations and nationals of any third country.

They agree not to hinder the exchange of goods between their respective countries by imposing any restrictions or prohibitions on the importation or exportation of the said goods, apart from restrictions and prohibitions imposed by law or agreed upon between them.

Each of the Contracting Parties shall grant the other most-favoured-nation treatment in regard to importation, sale, purchase, exportation, the discharge of Customs formalities concerning the bonding of goods, warehousing, re-exportation and the refund of duties and charges collected on importation, and also in regard to transshipment and all operations of the same character to which goods are subject in connection with importation, exportation or transit. They shall accord the same treatment in respect of deposits and dues connected with these various operations.

Article XII.

The Contracting Parties agree to grant each other reciprocally most-favoured-nation treatment in regard to the transport of passengers, luggage and goods by rail or by land in general, and also by water or by air.

Each of the Contracting Parties shall grant the other, both in regard to transport rates and dues and all other charges relating to transport and also in regard to the order and rapidity of despatch by all the above-mentioned means, the most favourable treatment granted by it to its nationals or to any of its own economic organisations, without prejudice to the most-favoured-nation treatment provided for in the preceding paragraph.

Article XIII.

1. In view of the commercial interests of Iran, in accordance with Article 20 of the Treaty¹ of February 26th, 1921, and with the object of determining its stipulations, the Union of Soviet Socialist Republics shall grant free transit through its territory to natural and industrial products of Iran consigned to any third country.

Iran, for its part, shall grant free transit through its territory to natural and industrial products of the Union of Soviet Socialist Republics consigned to any third country.

2. The Union of Soviet Socialist Republics shall also grant Iranian commercial companies and Iranian traders the right freely to export to any destination natural and industrial products which have been imported from Iran into its territory, and have not been sold therein. Provided that the Iranian commercial companies or traders prove that the products which they export are identical with those which they imported, the Customs duties paid by them on importation shall be refunded when the products in question leave the Customs territory of the Union.

The same rights shall be granted by the Iranian Government to Soviet companies and institutions engaged in trade.

3. The Union of Soviet Socialist Republics shall grant free transit through its territory in respect of consignments to Iran of any of the natural or industrial products mentioned below which come from countries parties to a commercial treaty, agreement or convention with the Union of Soviet Socialist Republics :

(a) Machinery, tools and equipment for factories and workshops and for agricultural undertakings ; machinery, tools and materials for the construction and upkeep of houses and buildings ; machinery, tools, equipment and materials for the construction and utilisation of ways and means of transport of all kinds and for the requirements of public utility undertakings ;

(b) Medicaments of all kinds, surgical instruments and prosthesis apparatus ;

(c) Paper and printed matter ;

(d) Silkworms' eggs ;

(e) Tea ;

(f) Lighting and heating apparatus ;

(g) Bicycles, motor-bicycles, motor-cars and motor-vans, together with their accessories and spare parts.

4. Goods, with the exception of arms and ammunition, ordered for non-commercial purposes by the Government of Iran from third countries which are parties to a commercial treaty, agreement or convention with the Union of Soviet Socialist Republics shall, irrespectively of their nature, have the right of free transit through the Union of Soviet Socialist Republics.

In the case of goods, with the exception of arms and ammunition but otherwise irrespectively of their nature, ordered by the Iranian Government for non-commercial purposes from third countries which are not parties to a commercial treaty, agreement or convention with the Union of Soviet Socialist Republics, the Government of the Union of Soviet Socialist Republics shall give the most sympathetic consideration to applications of this character, and shall grant all possible facilities.

5. It is understood that the provisions of the present Article shall be without prejudice to the transit of postal parcels through the Union of Soviet Socialist Republics to Iran, this being regulated by the special Convention² of August 2nd, 1929, which remains in force, in accordance with the provisions of the said instrument.

6. Iran shall, for its part, grant free transit through its territory to the Union of Soviet Socialist Republics in respect of natural and industrial products, with the exception of arms and ammunition, of countries which are parties to a commercial treaty, agreement or convention with Iran.

¹ Vol. IX, page 383, of this Series.

² Vol. CIX, page 99, of this Series.

7. It is agreed that, in respect of the conditions under which the transit referred to above is effected, each of the Contracting Parties shall grant the other most-favoured-nation treatment.

Article XIV.

The Contracting Parties agree that, in conformity with the principles set forth in the Treaty of February 26th, 1921, between the Russian Socialist Federal Soviet Republic and Persia, there shall, throughout the area of the Caspian Sea, be only vessels belonging to the Union of Soviet Socialist Republics or to Iran and to nationals or commercial and transport organisations of one of the two Contracting Parties, flying the flag of the Union of Soviet Socialist Republics or that of Iran, respectively.

They also agree that the crews of their vessels shall consist only of persons who are their respective nationals.

Article XV.

1. Merchant vessels flying the flag of one of the Contracting Parties in the Caspian Sea shall be treated, when entering, lying in or leaving the ports of the other Party, in all respects like national vessels of the latter Party.

2. They shall pay only such harbour dues as are prescribed by law for national vessels, under the same conditions and subject to the same exceptions.

Nevertheless, in levying the said dues, the following shall not be regarded as imported or exported goods, and shall not be taken into account :

(a) Passengers' luggage not included in the cargo : luggage shall be understood to include, in addition to small hand packages, all articles the conveyance of which is covered by a luggage receipt ;

(b) Fuel, provisions for the crew and passengers and ship's equipment and stores sufficient for the duration of the voyage, unless they are unloaded in the port for the purpose of being left there ;

(c) Cargoes unloaded on account of damage sustained or during other stops made in port for some exceptional reason, provided they are re-loaded on to the vessel for conveyance to the port of destination ;

(d) Cargoes transhipped to other vessels for the continuance of their transport by sea ;

(e) Cargoes transported in vessels of less than three and a half tons' burden.

3. The coasting trade shall be reserved to national vessels. It is agreed, however, that each of the Contracting Parties shall grant to vessels flying the flag of the other Party the right to engage in coasting trade for the transport of passengers and cargo in the Caspian Sea.

4. Notwithstanding the foregoing provisions, each of the Contracting Parties reserves to vessels flying its own flag the right to fish in its coastal waters up to a limit of ten nautical miles, and also retains the right to grant preferential advantages in respect of the importation of fish caught by the crews of vessels flying its flag.

5. In seas other than the Caspian Sea, vessels flying the flag of one of the Contracting Parties shall in the territorial waters and ports of the other Party enjoy, as regards conditions of navigation, the same rights and advantages as are accorded to vessels flying the flag of the nation which is the most favoured in this respect.

Article XVI.

The Contracting Parties agree that, in regard to the sanitary measures to be applied to vessels belonging to one Party in the ports of the other Party situated on the Caspian Sea, the provisions

of the International Sanitary Convention¹ signed in Paris on June 21st, 1926, shall apply, subject to the reservations made by each of the Contracting Parties when signing the said Convention.

Article XVII.

Tonnage measurement certificates issued to vessels navigating in the Caspian Sea and flying the flag of the Union of Soviet Socialist Republics or of Iran, by the competent organs of the respective Contracting Party, of which each Party shall notify the other, shall be reciprocally recognised in the ports of both Parties. Vessels having such tonnage measurement certificates shall not be subjected to further inspection in the ports of the other Party. Furthermore, in the ports of the two Contracting Parties situated on the Caspian Sea, certificates issued to vessels by the above-mentioned organs and relating to sea-worthiness and load line marks together with all other technical papers carried by vessels shall be reciprocally recognised.

Article XVIII.

The present Treaty shall be ratified by the legislative organs of the two Contracting Parties and the exchange of the instruments of ratification shall take place at Moscow.

It is concluded for a period of three years, as from June 22nd, 1935 (the first day of Tir, 1314). Should one of the Contracting Parties desire that the present Treaty should cease to be in force on the expiration of the above-mentioned period, that Party shall notify the other in writing of its intention at the close of the second year. Failing which, the Treaty shall be prolonged by tacit agreement.

It shall thereafter remain in force until one of the two Contracting Parties denounces it in writing at one year's notice.

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

Done at Teheran, this 27th day of August, 1935.

(Signed) A. TCHERNYKH.

(Signed) B. KAZEMI.

(Signed) M. CHOSTAK.

(Signed) Mozaffar AALAM.

FINAL PROTOCOL.

On signing the Treaty of Establishment, Commerce and Navigation between their respective countries, the undersigned agreed on the following supplementary points, which shall form an integral part of the said Treaty.

Ad Article IV.

1. The advantages resulting from a State monopoly or from a monopoly granted by the State if enjoyed by the nationals of one of the Contracting Parties, shall not be claimed by the Contracting Parties in virtue of Article IV of the Treaty of Establishment and Commerce signed this day.

2. Nationals and juridical persons of one of the Contracting Parties who have been granted a concession by the Government or by a Government organ shall not in regard to the provisions embodied in the deed of concession have the right to claim, in virtue of the most-favoured-nation treatment prescribed in the said Treaty, advantages exceeding those prescribed in the said deed.

¹ Vol. LXXVIII, page 229 ; Vol. XCII, page 409 ; Vol. CIV, page 513 ; Vol. CVII, page 524 ; and Vol. CLXXII, page 411, of this Series.

Ad Article VIII.

In view of the fact that, in accordance with the laws in force, commercial organisations may be represented in the Iranian courts by persons holding powers of attorney chosen from amongst their staff, for the purpose of submitting and defending their cases in the said courts, the Soviet economic organisations will not encounter any difficulties in this connection.

Ad Article IX.

Should Iran establish a trade delegation in the Union of Soviet Socialist Republics, the said delegation shall enjoy the same rights and privileges as are or may in future be accorded in Iran to the Trade Delegation of the Union of Soviet Socialist Republics.

In regard to the right of the said delegation to engage in the exchange of goods between the two countries, such right shall, in view of the foreign trade monopoly established in Iran, be identical with that enjoyed by the Trade Delegation of the Union of Soviet Socialist Republics in Iran, provided that the transactions resulting from the said right are effected by order and on behalf of the Iranian Government.

Ad Article X.

In view of the fact that a foreign trade monopoly exists in the Union of Soviet Socialist Republics, goods imported from abroad may be purchased only by State organisations upon which the right to do so has been conferred by the Government. Iranian traders when effecting transactions with the Soviet economic organisations must accordingly reach an agreement with the respective Soviet economic organisations empowered to effect such transactions with Iran, prior to the importation of the goods into the territory of the Union, and separately in regard to the conditions relating to each transaction.

Ad Articles X and XI.

It is agreed that the mixed organisations mentioned in the Treaty shall be understood to be the following companies : Iransovietnepht, Iransovietrans, Russiranbank, Iransovietkhlpok, the Kevirkhurian Company and Iranryba.

The Articles of the Treaty dealing with commercial transactions shall apply only to such of the above-mentioned companies as effect exports and imports.

The Iransovietnepht, Iransovietrans, Russiranbank and Iransovietkhlpok companies retain the right to bring their activities to an end and to go into liquidation, or to become purely Soviet organisations. In the latter event, they shall enjoy the advantages granted under the Treaty to Soviet economic organisations.

Ad Article XII.

Paragraph 2 of Article XII shall apply to goods imported by Iranian traders when in transit from the frontier to the places to which they are consigned, and also to goods passing in transit through the Union of Soviet Socialist Republics.

Ad Article XIII.

1. It is understood that the freedom of transit provided for in Article XIII shall in no case extend to goods the entry of which into the respective territories of the Contracting Parties is prohibited by the laws and regulations of the country concerned.

In regard to transit through the territory of the Union of Soviet Socialist Republics, it shall, moreover, not extend to *santonin* or *semen contra*.

2. The two Contracting Parties declare that they agree that, should one of them desire free transit through the territory of the other for its arms and ammunition coming from any third country, the Party concerned shall give the most sympathetic consideration to the application relating thereto and shall grant all possible facilities in that connection.

3. The importation of opium and its derivatives into the territory of the Union of Soviet Socialist Republics and their exportation from the said territory to Iran being prohibited, and in view of the fact that certain States prohibit the importation of opium except in the case of quantities of opium or opium derivatives in respect of which they have granted a special import authorisation, it is nevertheless understood that the Union of Soviet Socialist Republics will authorise the transit through its territory of Iranian consignments of opium and its derivatives to such States, on condition that the Government of the Union of Soviet Socialist Republics has been informed beforehand of their despatch, and that the import authorisations have been submitted to the competent Soviet organ at Teheran.

It is understood that neither the Union of Soviet Socialist Republics nor its organs can be held responsible for the acceptance or refusal by the States to which they are consigned of such consignments of opium or its derivatives conveyed in transit through the territory of the Union of Soviet Socialist Republics.

Ad Article XIV.

The nationals mentioned in Article XIV do not include nationals of third States who have become nationals of one of the Contracting Parties, nor former subjects of the former Russian Empire who have not become citizens of the Union of Soviet Socialist Republics.

Ad Article XV.

1. The provisions of section 4 of Article XV shall in no wise affect either the provisions of the Agreement¹ regarding the Exploitation of the Fisheries on the Southern Shore of the Caspian Sea, signed between the Contracting Parties on October 1st, 1927, or, in consequence, the activities of the Iranryba Company.

2. The Contracting Parties undertake, in accordance with international usage and with the laws and regulations of the country relating thereto, to place no obstacle in the way of the crews of the ships of one Party remaining on the coast or in the ports of the other, either when the said ships are in port or when they are in the roadsteads. They also undertake not to hinder the measures taken by the said vessels with a view to procuring the supplies and provisions required for their crews and passengers.

Done at Teheran, this 27th day of August, 1935.

(Signed) A. TCHERNYKH.

(Signed) M. CHOSTAK.

(Signed) B. KAZEMI.

(Signed) Mozaffar AALAM.

¹ Vol. CXII, page 297, of this Series.

LIST

OF U.S.S.R. IMPORT QUOTAS AGREED UPON BETWEEN THE IRANIAN DEPARTMENT OF COMMERCE
AND THE TRADE DELEGATION OF THE U.S.S.R. FOR THE ECONOMIC YEAR 1314-1315.

No.	Goods	Total quota for the economic year 1314-1315 in Rials	U.S.S.R. Quotas	
			Value in Rials	Per- centage
1	Mineral waters	326,000	150,000	47
2	Motor-car accessories and spare parts.	21,000,000	1,000,000	5
3	Touring motor-cars and lorries	55,000,000	5,000,000	10
8	Haberdashery of rubber, etc.	1,100,000	100,000	10
9	Petrol (benzine)	3,000,000	3,000,000	100
11	Linen tissues, etc.	25,500,000	500,000	2
14	Telephones, wireless apparatus and their accessories	1,250,000	250,000	20
18	Lamps and accessories	2,600,000	100,000	4
21 <i>bis</i>	(<i>b</i>) Veneered boards	700,000	500,000	72
23	Porcelain and earthenware.	4,200,000	3,000,000	72
24	Printing type and blocks	390,000	250,000	65
25	Mercery and household articles	10,500,000	500,000	5
26	Medicaments	15,700,000	1,300,000	9
28	Motor-car tyres and inner tubes	39,200,000	700,000	2
29	Synthetic colours	3,770,000	250,000	7
30	Liquid varnish without alcohol, oil colours	1,130,000	250,000	23
34	Rosin (Saghez), eternit and rubberoid	700,000	500,000	72
36	Cinematographic and photographic equipment	2,680,000	300,000	12
39	Glassware	11,200,000	7,000,000	63
43	Tar and other derivatives of petroleum.	1,550,000	1,550,000	100
47	Rubber	1,700,000	200,000	12
48	Printing paper	18,000,000	3,000,000	17
49	Wall papers, cardboard, etc.	8,500,000	500,000	6
52	Books and other printed matter	2,825,000	25,000	1
54	Hats	6,500,000	1,500,000	24
55	Goloshes	3,160,000	2,500,000	80
57	Greases and mobiloil and other mineral oils	7,000,000	2,500,000	36
58	Plants, cotton seeds.	395,000	150,000	38
60	Toilet articles	2,850,000	250,000	9
61	Electrical equipment	8,750,000	1,000,000	12
62	Office equipment	3,400,000	200,000	6
63	Mazout	600,000	600,000	100
63 <i>b</i>	Gall-nut and other extracts used in tawing	3,000,000	1,000,000	34
64	Machinery, apparatus, tools and instruments	28,360,000	4,000,000	15
65	Waxed cloth	1,050,000	350,000	34
66	Chemical products	9,500,000	500,000	6
70	Sewing-thread	7,580,000	4,500,000	60
71	Kerosine	7,500,000	7,500,000	100
72	Petroleum	600,000	600,000	100
76	Locks, hinges, etc.	12,000,000	3,000,000	25

(Signed) A. TCHERNYKH.

(Signed) B. KAZEMI.

(Signed) M. CHOSTAK.

(Signed) Mozaffar AALAM.

EXCHANGE OF NOTES.

I.

TEHERAN, *August 27th*, 1935.

YOUR EXCELLENCY,

Acting upon instructions from my Government, I have the honour to inform Your Excellency that the Government of the Union of Soviet Socialist Republics reserves all its rights in respect of the warships and merchant vessels which belonged to the Government of the former Russian Empire and also in respect of those which have been declared to be State property in virtue of the decrees nationalising the mercantile marine, and which, without the consent of the Government of the Union of Soviet Socialist Republics, have been taken abroad and there sold, or of which the Government organs of the Union of Soviet Socialist Republics have in any way lost possession.

I have the honour to be, etc.

(Signed) A. TCHERNYKH.

His Excellency S. B. Kazemi,
Minister for Foreign Affairs,
Teheran.

II.

TEHERAN, *August 27th*, 1935.

MONSIEUR L'AMBASSADEUR,

I have the honour to inform you that my Government has taken note of the declaration made in your note of to-day's date with regard to the rights reserved by your Government in respect of the warships and merchant vessels which belonged to the Government of the former Russian Empire, and also in respect of those which have been declared to be State property in virtue of the nationalisation decrees.

I have the honour to be, etc.

(Signed) B. KAZEMI.

His Excellency A. S. Tchernykh,
Ambassador Extraordinary and Plenipotentiary,
Teheran.

III.

TEHERAN, *August 27th*, 1935.

MONSIEUR L'AMBASSADEUR,

I have the honour to inform Your Excellency that the Iranian Government agrees, subject to reciprocity, to apply the following provisions in regard to the protection of trade marks :

i. Juridical persons and individuals of each of the Contracting Parties possessing industrial or commercial institutions shall, in the territory of the other Contracting Party, enjoy the same protection as the nationals and companies of the latter in regard to their trade marks, provided that they comply with the regulations and formalities in force in the country.

2. The two Parties reciprocally undertake not to recognise officially and not to register in their countries in future any trade marks serving to denominate goods which have come into general use.

The two Parties shall reciprocally notify each other of the method adopted in certifying signatures on documents submitted to trade mark registration offices, and shall exempt the documents in question from all consular legalisation. The above provisions shall apply to all industrial and commercial institutions, whether belonging to State organisations or to associations or private persons.

I have the honour to be, etc.

(Signed) B. KAZEMI.

His Excellency A. S. Tchernykh,
Ambassador Extraordinary and Plenipotentiary,
Teheran.

IV.

TEHERAN, August 27th, 1935.

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's letter dated August 27th, 1935, concerning the Iranian Government's agreement to apply, subject to reciprocity, the following provisions in regard to the protection of trade marks :

" 1. Juridical persons and individuals of each of the Contracting Parties possessing industrial or commercial institutions shall, in the territory of the other Contracting Party, enjoy the same protection as the nationals and companies of the latter in regard to their trade marks, provided that they comply with the regulations and formalities in force in the country.

2. The two Parties reciprocally undertake not to recognise officially and not to register in their countries in future any trade marks serving to denominate goods which have come into general use.

The two Parties shall reciprocally notify each other of the method adopted in certifying signatures on documents submitted to trade mark registration offices, and shall exempt the documents in question from all consular legalisation. The above provisions shall apply to all industrial and commercial institutions, whether belonging to State organisations or to associations or private persons. "

In taking note of the contents of the said letter, I have the honour to inform Your Excellency that my Government also agrees to apply the above provisions in regard to the protection of trade marks.

I have the honour to be, etc.

(Signed) A. TCHERNYKH.

His Excellency S. B. Kazemi,
Minister for Foreign Affairs,
Teheran.

V.

TEHERAN, August 27th, 1935.

YOUR EXCELLENCY,

I have the honour to inform Your Excellency of the following :

In view of the fact that the Caspian Sea, which is regarded by the two Governments as a Soviet and Iranian sea, is of particular importance to the Contracting Parties, it is

understood that the two Governments will take the necessary measures to ensure that any nationals of third countries who may be in their service in the ports of that sea do not employ their stay in those ports for purposes exceeding the limits of the duties with which they are entrusted.

I have the honour to be, etc.

(Signed) A. TCHERNYKH.

His Excellency S. B. Kazemi,
Minister for Foreign Affairs,
Teheran.

VI.

TEHERAN, August 27th, 1935.

MONSIEUR L'AMBASSADEUR,

I have the honour to acknowledge the receipt of Your Excellency's letter dated August 27th, 1935, reading as follows :

“ In view of the fact that the Caspian Sea, which is regarded by the two Governments as a Soviet and Iranian sea, is of particular importance to the Contracting Parties, it is understood that the two Governments will take the necessary measures to ensure that any nationals of third countries who may be in their service in the ports of that sea do not employ their stay in those ports for purposes exceeding the limits of the duties with which they are entrusted. ”

I take note of the contents of the above letter and have the honour to be, etc.

(Signed) B. KAZEMI.

His Excellency A. S. Tchernykh,
Ambassador Extraordinary and Plenipotentiary,
Teheran.

VII.

TEHERAN, August 27th, 1935.

YOUR EXCELLENCY,

In view of the subsequent development of the port of Bandar Shah and that of Bandar Now-Shah, and the importance of the said ports in regard to trade between the Union of Soviet Socialist Republics and Iran, I have the honour to request the Iranian Government to agree that a certain area of land should be leased to the maritime and transport agencies for the requirements of the latter on terms to be settled between the said agencies and the private owners of the land in question.

I have the honour to be, etc.

(Signed) A. TCHERNYKH.

His Excellency S. B. Kazemi,
Minister for Foreign Affairs,
Teheran.

VIII.

TEHERAN, *August 27th*, 1935.

MONSIEUR L'AMBASSADEUR,

I have the honour to acknowledge the receipt of Your Excellency's letter dated August 27th, 1935, reading as follows :

“ In view of the subsequent development of the port of Bandar Shah and that of Bandar Now-Shah, and the importance of the said ports in regard to trade between the Union of Soviet Socialist Republics and Iran, I have the honour to request the Iranian Government to agree that a certain area of land should be leased to the maritime and transport agencies for the requirements of the latter on terms to be settled between the said agencies and the private owners of the land in question. ”

I take note of the contents of the above letter and have the honour to be, etc.

(Signed) B. KAZEMI.

His Excellency A. S. Tchernykh,
Ambassador Extraordinary and Plenipotentiary,
Teheran.