



Treaty Series No. 25 (1933)

## EXCHANGE OF NOTES

between His Majesty's Government in the United Kingdom and

THE LATVIAN GOVERNMENT

relating to

# COMMERCIAL RELATIONS

London, July 6, 1933

*Presented by the Secretary of State for Foreign Affairs  
to Parliament by Command of His Majesty*

LONDON

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EXCHANGE OF NOTES BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE LATVIAN GOVERNMENT RELATING TO COMMERCIAL RELATIONS.

London, July 6, 1933.

No. 1.

*Sir John Simon to the Latvian Chargé d'Affaires.*

Sir,

*Foreign Office, July 6, 1933.*

I HAVE the honour to inform you that His Majesty's Government in the United Kingdom, being desirous of coming to an agreement with the Latvian Government for the purpose of further facilitating trade between the two countries, are prepared to conclude an agreement in the following terms:—

(1) During the currency of the agreement any notification of denunciation given by either contracting party under paragraph 1 of article 28 of the Treaty of Commerce and Navigation signed at London on the 22nd June, 1923,<sup>(1)</sup> between His Majesty and the President of the Latvian Republic, shall require fifteen months instead of twelve months to take effect.

(2)—(a) His Majesty's Government in the United Kingdom undertake not to regulate the quantity of the imports into the United Kingdom of bacon and hams, butter or eggs, the produce of Latvia, except in so far as such regulation may be necessary to secure the effective operation of a scheme or schemes for the regulation of the marketing of domestic supplies of these or of related products. In the event of such regulation of imports being introduced in the case of all or any of these products, the following provisions shall have effect in so far as they may be applicable.

(b) His Majesty's Government in the United Kingdom will, in any such event, allot to Latvia an equitable share of permitted foreign imports having regard to the proportion of total foreign imports of those products which has been supplied by Latvia in recent years. Allocations to Latvia will be made on the same basis as, and on conditions not less favourable than, allocations to any other foreign country.

(c) His Majesty's Government in the United Kingdom declare that they will not regulate compulsorily the quantity of imports into the United Kingdom of bacon and hams, or butter or eggs, the

<sup>(1)</sup> "Treaty Series No. 30 (1923)," Cmd. 1995.

produce of Latvia, without first giving the Latvian Government an opportunity of discussing any allocation to Latvia with a view to securing that it is made in accordance with the above assurance.

(d) It is understood that the term "foreign country" in the preceding sub-paragraph (b) means a country not being part of the British Commonwealth of Nations, nor a territory under British protection or suzerainty, nor a mandated territory in respect of which the mandate is exercised by the Government of a part of the British Commonwealth of Nations, and the term "foreign imports" means imports from a foreign country as so defined.

(3) The Latvian Government, in respect of herrings salted or cured in the United Kingdom and exported therefrom:—

- (a) Undertake that no duty other or higher than an import duty of 5 lats a barrel shall be levied on the importation of such herrings into Latvia, and declare that the existing 5 per cent. *ad valorem* surtax is being abolished, and will not be reimposed.
- (b) Declare that there is at present no tax on purchases of foreign exchange required for the purposes of payment in respect of such herrings, and that they have no intention of recommending the imposition of such a tax. If any such tax is imposed His Majesty's Government shall have the right, notwithstanding the provisions of the fifth paragraph of this note, to give notice to the Latvian Government terminating the agreement immediately.
- (c) Undertake that applications for foreign exchange in respect of purchases of such herrings shall be granted in full with as little delay as possible. It is recognised that in the event of applications for an abnormal amount of exchange being made at any one time, it may be necessary to release the exchange required gradually.
- (d) Undertake that licences shall be issued during the year ending the 30th June, 1934, permitting the importation into Latvia of such herrings for the purpose of consumption in the country up to a quantity not less than 10,000 metric tons, being approximately 75 per cent. of the quantity imported for that purpose in 1931.

(4) Both Governments undertake to keep in view the balance of trade between the United Kingdom and Latvia, and the Latvian Government recognise that it is in the interest of both countries that the present disparity in that balance should be readjusted as far as possible by the increase of the sales in Latvia of goods the produce or manufacture of the United Kingdom.

(5) This agreement shall come into operation as from the 15th July, 1933. The undertakings on either side set out in the

preceding paragraphs shall remain in force for one year from that date, except where the contrary is expressly stated, and the currency of the agreement shall be deemed to be the said period of one year.

2. If the Latvian Government are prepared to accept these proposals, this note and a reply from you notifying their acceptance will constitute an agreement between the two Governments accordingly.

I have, &c.

(For the Secretary of State),

F. ASHTON-GWATKIN.

No. 2.

*The Latvian Chargé d'Affaires to Sir John Simon.*

Sir,

*Latvian Legation, London, July 6, 1933.*

I HAVE the honour to acknowledge the receipt of your Excellency's note of even date regarding the importation of herrings into Latvia, which reads as follows:—

“(1) During the currency of the agreement any notification of denunciation given by either contracting party under paragraph 1 of article 28 of the Treaty of Commerce and Navigation signed at London on the 22nd June, 1923, between His Majesty and the President of the Latvian Republic, shall require fifteen months instead of twelve months to take effect.

(2)—(a) His Majesty's Government in the United Kingdom undertake not to regulate the quantity of the imports into the United Kingdom of bacon and hams, butter or eggs, the produce of Latvia, except in so far as such regulation may be necessary to secure the effective operation of a scheme or schemes for the regulation of the marketing of domestic supplies of these or of related products. In the event of such regulation of imports being introduced in the case of all or any of these products, the following provisions shall have effect in so far as they may be applicable.

(b) His Majesty's Government in the United Kingdom will, in any such event, allot to Latvia an equitable share of permitted foreign imports having regard to the proportion of total foreign imports of those products which has been supplied by Latvia in recent years. Allocations to Latvia will be made on the same basis as, and on conditions not less favourable than, allocations to any other foreign country.

(c) His Majesty's Government in the United Kingdom declare that they will not regulate compulsorily the quantity of imports into the United Kingdom of bacon and hams, or butter or eggs, the

produce of Latvia, without first giving the Latvian Government an opportunity of discussing any allocation to Latvia with a view to securing that it is made in accordance with the above assurance.

(d) It is understood that the term "foreign country" in the preceding sub-paragraph (b) means a country not being part of the British Commonwealth of Nations, nor a territory under British protection or suzerainty, nor a mandated territory in respect of which the mandate is exercised by the Government of a part of the British Commonwealth of Nations, and the term "foreign imports" means imports from a foreign country as so defined.

(8) The Latvian Government, in respect of herrings salted or cured in the United Kingdom and exported therefrom:—

- (a) Undertake that no duty other or higher than an import duty of 5 lats a barrel shall be levied on the importation of such herrings into Latvia, and declare that the existing 5 per cent. *ad valorem* surtax is being abolished, and will not be reimposed.
- (b) Declare that there is at present no tax on purchases of foreign exchange required for the purposes of payment in respect of such herrings, and that they have no intention of recommending the imposition of such a tax. If any such tax is imposed His Majesty's Government shall have the right, notwithstanding the provisions of the fifth paragraph of this note, to give notice to the Latvian Government terminating the agreement immediately.
- (c) Undertake that applications for foreign exchange in respect of purchases of such herrings shall be granted in full with as little delay as possible. It is recognised that in the event of applications for an abnormal amount of exchange being made at any one time, it may be necessary to release the exchange required gradually.
- (d) Undertake that licences shall be issued during the year ending the 30th June, 1934, permitting the importation into Latvia of such herrings for the purpose of consumption in the country up to a quantity not less than 10,000 metric tons, being approximately 75 per cent. of the quantity imported for that purpose in 1931.

(4) Both Governments undertake to keep in view the balance of trade between the United Kingdom and Latvia, and the Latvian Government recognise that it is in the interest of both countries that the present disparity in that balance should be readjusted as far as possible by the increase of the sales in Latvia of goods the produce or manufacture of the United Kingdom.

(5) This agreement shall come into operation as from the 15th July, 1933. The undertakings on either side set out in the preceding paragraphs shall remain in force for one year from that

date, except where the contrary is expressly stated, and the currency of the agreement shall be deemed to be the said period of one year."

The Latvian Government, being desirous of fostering the trade of Latvia with the United Kingdom, have instructed me to accept these proposals, and consequently an agreement between the two Governments is deemed as being concluded on the terms set forth in the above-mentioned note.

I have, &c.

CH. L. SEYA,

*Chargé d'Affaires ad int.*