

TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNION OF SOVIET
SOCIALIST REPUBLICS AND THE CENTRAL PEOPLE'S GOVERNMENT OF THE
CHINESE PEOPLE'S REPUBLIC

The Government of the Union of Soviet Socialist Republics and the Central People's Government of the Chinese People's Republic in order to develop trade turnover between the two countries have agreed on the following:

Article 1

Deliveries of goods from the USSR to the Chinese People's Republic and from the Chinese People's Republic to the USSR will be effected in accordance with lists which will be coordinated between the Parties and determined in a special Protocol.

Both governments will guarantee the deliveries of goods in accordance with the said Protocol.

Article 2

Soviet foreign trade organizations, on the one hand, and Chinese trade organizations, on the other, will conclude between them contracts for the deliveries of goods envisaged in the aforementioned lists. In these contracts there will be stipulated the quantities, assortment, prices, deadlines and points of delivery of the goods.

Article 3

Between Soviet foreign trade organizations and Chinese trade organizations there can also be concluded contracts for the deliveries of goods on the terms of the present Agreement above and beyond the lists envisaged in Article 1 of the present Agreement, observing the roles in force in both countries concerning the import and export of goods.

Article 4

Prices for the goods envisaged in the lists indicated in Article 1, as well as prices for goods pursuant to the contracts envisaged in Article 3, will be determined on the basis of world market prices in rubles.

Article 5

Payments for goods delivered pursuant to the present Agreement will be

effected in the USSR through the State Bank of the USSR and in the Chinese People's Republic-through the People's Bank of China.

For these purposes, the aforementioned Banks will open for each other special interest-free accounts in rubles and will immediately notify each other of all receipts against these accounts.

On receiving such notification, the appropriate Bank must immediately effect the payments.

Aside from contracts envisaged in Articles 2 and 3 of the present Agreement, between Soviet foreign trade organizations and Chinese trade organizations there can, with the permission of the competent organs of both Parties, also be concluded contracts for the deliveries of goods against payment in gold or transfer of American dollars or pounds sterling, as well as barter deals. Payments on such contracts will be effected through the State Bank of the USSR and the People's Bank of China without entering such payments on the aforementioned accounts.

Article 6

The provisions of Article 5 of the present Agreement apply to the following operations:

- 1) payments for goods delivered pursuant to the present Agreement;
- 2) payments for expenses connected with trade turnover between the two countries, as well as payments for the repair of vessels and transit expenses;
- 3) other payments which will be permitted by agreement between the Banks.

Article 7

The sums of all payments by each of the Parties, excluding payments envisaged by the last paragraph of Article 5, must match and, furthermore, this equivalence must be maintained at the close of semi-annual periods for the duration of the present Agreement.

In this connection, however, it will not be considered a violation of the equivalence of the aforementioned payments if at the end of the six-month period the payments of one Party exceed the payments of the other Party by a sum up to 6,000,000 rubles.

The Parties can pay the indebtedness formed on the accounts indicated in Article 5 through the delivery of goods, or in gold, American dollars or pounds sterling by agreement of the Parties.

Conversion of rubles into American dollars or pounds sterling will be effected at the rates of the State Bank: of the USSR on the day of payment, and conversion of rubles into gold on the basis of the gold content of the ruble.

Article 8

The Government of the USSR and the Central People's Government of the Chinese People's Republic entrust, respectively, the Trade Delegation of the USSR in China and the Representative of the Ministry of Trade of the Central People's Government of the Chinese People's Republic to effect every six months verification of the course of implementation of the present Agreement and, in case of need, to draft appropriate recommendations with respect to the effectuation of mutual deliveries and the achievement of equivalence of payments pursuant to the present Agreement.

Article 9

The State Bank of the USSR and the People's Bank of China on the basis of the present Agreement will conclude between them a written agreement on the technical procedure of accounting between them.

Article 10

In order to ensure the timely deliveries of goods imported and exported pursuant to the present Agreement, both Governments will mutually guarantee favorable conditions of railroad transportation and the utilization of ports.

Article 11

Customs duties on the territory of each Party on goods imported and exported pursuant to the present Agreement are paid by the trade organizations of that Contracting Party.

Article 12

On the expiration of the duration of the present Agreement the State Bank: of the USSR and the People's Bank: of China will continue to accept receipts against the accounts indicated in Article 5 and make payments in accordance

with the provisions of the present Agreement on contracts concluded during the period of its operation.

In this connection, if there will be established on the accounts indicated in Article 5 the indebtedness of one of the Parties, then this Party must liquidate it in the course of a three-month period, counting from the date of termination of the duration of the present Agreement, by means of supplementary deliveries agreed upon between the Parties of goods, gold, the transfer of American dollars or pounds sterling.

Conversion of rubles into gold, American dollars or pounds sterling will be effected in accordance with paragraph 4 of Article 7 of the present Agreement.

Article 13

The present Agreement will be in force from January 1, 1950, and will remain in force until December 31, 1950.

The Agreement is subject to ratification.

Done in Moscow on April 19, 1950, in two copies, each in the Russian and Chinese languages, with both texts having equal force.