

treatment no less favourable than that which would have been accorded to such products had they been transported from their place of origin to their destination without going through the territory of such third country. Each Contracting Party shall, however, be free to maintain its requirements of direct consignment existing on the date of signature of the present Agreement in respect of any goods in regard to which such direct consignment has relation to that Contracting Party's prescribed method of valuation for duty purposes.

ARTICLE III

No prohibitions or restrictions shall be applied by either Contracting Party on the importation or exportation of any product from or to the territory of the other Contracting Party which are not similarly applied to the importation or exportation of the like product from or to the territories of all third countries except for import or exchange restrictions applicable to all countries in like circumstances for the purpose of safeguarding the external financial position and balance of payments.

The provisions of the present Agreement shall not limit the right of either Contracting Party to apply prohibitions or restrictions of any kind directed to the protection of its essential security interests.

ARTICLE IV

The merchant vessels of each Contracting Party and the cargoes of such vessels shall upon arrival at and departure from the seaports of the other Contracting Party and during the time spent in such seaports enjoy the treatment accorded to the most-favoured-nation.

The provisions of this Article shall not apply to the performance of harbour services including pilotage and towing, nor to coastal shipping.

ARTICLE V

Canadian citizens and other natural persons domiciled and carrying on business in Canada and juridical persons constituted in accordance with the laws in force in Canada shall, when engaged in business activity in the territory of the Union of Soviet Socialist Republics personally or through their appointed representatives under conditions prescribed by the laws in force in the U.S.S.R., enjoy in respect of their persons and their property treatment according to law no less favourable than that accorded to the natural and juridical persons of any other state.

Soviet citizens and Soviet business organizations and other juridical persons constituted in accordance with the laws in force in the U.S.S.R. shall, when engaged in business activity in the territory of Canada personally or through their appointed representatives under conditions prescribed by the laws in force in Canada, enjoy in respect of their persons and their property treatment according to law no less favourable than that accorded to the natural and juridical persons of any other state.

The natural and juridical persons specified in this Article shall enjoy access to the courts of the other Contracting Party on the same basis as natural and juridical persons of any other state.