

N° 3234.

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**UNION ÉCONOMIQUE  
BELGO-LUXEMBOURGEOISE  
ET HONGRIE**

Convention concernant les règlements commerciaux entre l'Union économique belgo-luxembourgeoise et la Hongrie. Signée à Budapest, le 24 mai 1933.

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**ECONOMIC UNION OF  
BELGIUM AND LUXEMBURG  
AND HUNGARY**

Convention regarding the Settlement of Commercial Debts between the Economic Union of Belgium and Luxemburg and Hungary. Signed at Budapest, May 24, 1933.

<sup>1</sup> TRADUCTION. — TRANSLATION.

No. 3234. — CONVENTION<sup>2</sup> REGARDING THE SETTLEMENT OF  
COMMERCIAL DEBTS BETWEEN THE ECONOMIC UNION OF  
BELGIUM AND LUXEMBURG AND HUNGARY. SIGNED AT  
BUDAPEST, MAY 24, 1933.

*French official text communicated by the Belgian Minister for Foreign Affairs and by the Chargé d'Affaires  
a. i. of the Hungarian Delegation accredited to the League of Nations. The registration of this  
Convention took place July 26, 1933.*

HIS MAJESTY THE KING OF THE BELGIANS, acting on his own behalf as well as on behalf of  
HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBURG, in virtue of existing agreements, and HIS  
SERENE HIGHNESS THE REGENT OF THE KINGDOM OF HUNGARY, being desirous of settling claims  
relating to the exchange of goods between the Belgo-Luxemburg Economic Union and Hungary,  
have resolved for this purpose to conclude a Convention and have appointed as their Plenipoten-  
tiaries :

HIS MAJESTY THE KING OF THE BELGIANS :

His Excellency Viscount Jacques DAVIGNON, Envoy Extraordinary and Minister  
Plenipotentiary of the Kingdom of Belgium ;

HIS SERENE HIGHNESS THE REGENT OF THE KINGDOM OF HUNGARY :

His Excellency Coloman DE KÁNYA, Royal Minister for Foreign Affairs ;

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

The Convention<sup>3</sup> of March 26, 1932, for the settlement by clearance of commercial debts  
of the Belgo-Luxemburg Economic Union and Hungary shall be abrogated and replaced by  
the present Convention :

*Article 1.*

The settlement of claims relating solely to the exchange of goods between the Belgo-Luxemburg  
Economic Union and Hungary shall be effected according to the system hereinafter described.  
This settlement shall be effected in Hungary at the National Bank of Hungary and in the territory  
of the Belgo-Luxemburg Economic Union at the National Bank of Belgium acting as treasurer for  
the Belgo-Luxemburg Clearing Office.

*Article 2.*

Debts due for the purchase of Hungarian goods imported into the territory of the Belgo-  
Luxemburg Economic Union shall be settled by payment of the purchase price in belgas to the

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

<sup>1</sup> Translated by the Secretariat of the League  
of Nations, for information.

<sup>2</sup> The Belgian and Hungarian Governments have agreed by an Exchange of Notes that the date of  
entry into force of the Convention shall be July 1st, 1933.

<sup>3</sup> Vol. CXXXVI, page 405, of this Series.

National Bank of Belgium acting as treasurer for the Belgo-Luxemburg Clearing Office. The National Bank of Belgium shall enter the sums so received in a non-interest-bearing account styled "Commercial Settlements Accounts", which it will open in its books in the name of the National Bank of Hungary.

*Article 3.*

Commercial debts arising out of the purchase of Belgian or Luxemburg goods imported into Hungary shall be settled by using the amounts mentioned in Article 2 in conformity with the following provisions and with those of Article 7. On the bills falling due, Hungarian debtors shall discharge their obligations by paying the amount of their debts to one of the banks authorised for the purpose by the National Bank of Hungary, to the order and for the account of the creditor in the Belgo-Luxemburg Union, to be entered in such bank in a blocked account in gold pengö. The National Bank of Hungary shall be informed daily of these payments and shall notify them to the Belgo-Luxemburg Clearing Office.

As and when the advices of payment forwarded daily by the National Bank of Belgium acting as treasurer of the Belgo-Luxemburg Clearing Office are received, the National Bank of Hungary shall call in an amount equivalent to the claims thus collected; it shall immediately notify the Belgo-Luxemburg Clearing Office which shall arrange for the corresponding payments to be made in belgas.

The calls referred to in the preceding paragraph and the payment of debts shall be effected in the chronological order of the payments mentioned in the first paragraph of the present Article. The competent Hungarian and Belgo-Luxemburg authorities may, however, as an exception and after mutual consultation and agreement, depart for technical reasons from the chronological order above-mentioned.

*Article 4.*

Each Government shall, so far as it is concerned, take the necessary steps to compel its importers to make use of the system laid down in the present Convention.

*Article 5.*

The advices of payment shall contain the particulars of date and origin necessary to enable the corresponding amounts to be paid to the parties concerned. These amounts shall be paid on the basis of the legal gold currency parity, namely :

100 belgas = 79.50 pengös  
100 pengös = 125.786 belgas.

In Hungary sums due in other currencies than belgas shall be converted into belgas at the rate for the currency concerned as quoted by the National Bank of Hungary on the day preceding payment of the debt in pengö.

*Article 6.*

On the coming into force of the present Convention, the accounts kept by the National Bank of Hungary as well as those kept by the National Bank of Belgium, acting as treasurer of the Belgo-Luxemburg Clearing Office under the Convention of March 26, 1932, shall be closed.

The resulting balance of Belgian and Luxemburg claims shall be paid off gradually by drawings made on the amounts paid to the National Bank of Belgium acting as treasurer of the Belgo-Luxemburg Clearing Office. The percentage amount to be earmarked for paying off these arrears shall be fixed quarterly by mutual agreement between the National Bank of Hungary and the Belgo-Luxemburg Clearing Office, regard being had to the amount of debts due and not paid by the Hungarian debtor on the entry into force of the present Convention. As regards debts which fell due prior to August 1st, 1932, but which have not yet been paid by the debtor in Hungary on the entry

into force of the present Convention, the debtor shall be entitled to make the payments relating to these debts to the National Bank of Hungary up to August 1st, 1933.

With a view to accelerating the liquidation of the arrears above-mentioned, the National Bank of Hungary and the Belgo-Luxemburg Clearing Office may earmark for the settlement of these arrears an equivalent value in respect of Hungarian goods to be determined and imported under certain circumstances into the territory of the Belgo-Luxemburg Economic Union.

*Article 7.*

Of the total sums paid to the National Bank of Belgium acting as treasurer of the Belgo-Luxemburg Clearing Office by persons importing Hungarian goods into the Economic Union of Belgium and Luxemburg, 35 per cent will be kept in a special belga account at the free disposal of the National Bank of Hungary. This percentage may be raised as soon as the arrears of Belgian and Luxemburg claims existing on the entry into force of the present Convention have been liquidated.

*Article 8*

The National Bank of Hungary and the Clearing Office shall authorise to the greatest possible extent, in addition to the system above described and after mutual agreement has been reached as regards these transactions themselves and the method of their execution, the exchange of Hungarian goods for goods of Belgian or Luxemburg origin.

*Article 9.*

The present Convention shall come into force on June 15, 1933. It shall remain in force for a period of three months. It may be denounced one month before its expiry. It shall be renewed for a further three months by tacit agreement, so long as one of the High Contracting Parties has not, by giving the aforesaid notice, intimated its desire to terminate the Convention.

If during the term of the present Convention changes are made in the legal currency parity as defined in Article 5, this Convention will cease to be in force as from the date of such changes.

In this case, and also should the Convention be denounced by one of the Parties, if the National Bank of Hungary then holds a sum in pengö to the credit of Belgian or Luxemburg importers, such sum (in so far as not set off in the accounts kept by the Belgo-Luxemburg Clearing Office by a sum in belgas to the credit of Hungarian exporters) would be transferred by the National Bank of Hungary to a blocked account in gold pengö in one or more Hungarian banks to be specified by the Belgo-Luxemburg exporters.

Negotiations would then immediately be opened between the High Contracting Parties with regard to these accounts and with regard to any sums in gold pengö that might be held in the banks referred to in Article 3.

It is further understood that in case of the compulsory termination of the Convention owing to a change in the legal gold monetary parity, such immediate negotiations would relate not only to the special point mentioned in the previous paragraph but also to the conclusion of a new Convention.

BUDAPEST, *March 24, 1933.*

*(Signed)* Jacques DAVIGNON.

*(Signed)* KÁNYA.