

N° 187.

ALLEMAGNE ET HONGRIE

Convention commerciale provisoire
signée à Berlin le 1^{er} juin 1920.

GERMANY AND HUNGARY

Provisional commercial Agreement
signed at Berlin, June 1, 1920.

TEXTE HONGROIS. — HUNGARIAN TEXT.

No. 187. — A MAGY. KIR. KORMÁNY ÉS A NÉMET KORMÁNY KÖZÖTT
A KÖLCSÖNÖS GAZDASÁGI VISZONYOK SZABÁLYOZÁSA CÉLJÁBOL
KÖTÖTT IDEIGLENES EGYZEMÉNY¹.

German and Hungarian official texts communicated by the German Ministry for Foreign Affairs and by the Hungarian Chargé d'Affaires at Berne². The registration of this Convention took place on November 23, 1921.

Mínhogy a volt Osztrák-Magyar Monarchia és a Németbirodalom között az 1905. évben megkötött kereskedelmi és vámszerződés előfeltételei a világháború következtében mélyreható változásokat szenvedtek, amelyeknek további alkalmazása nem látszik célszerűnek, a MAGYAR KIRÁLYI és a NÉMET KORMÁNY megegyeztek abban, hogy végleges kereskedelmi szerződés megkötéséig kölcsönös gazdasági viszonyaik szabályozása céljából a következő ideiglenes egyezményt kötik :

I.

A két szerződő fél kölcsönös gazdasági viszonyait további intézkedésig a legnagyobb kedvezmény elve alapján fogja szabályozni. Ez az elv különösen alkalmazást nyer :

1. — A behozatali, kiviteli, és átviteli tilalmakra, rendelkezésekre és korlátozásokra, valamint ezeknek alkalmazására, a behozatali és kiviteli vámokra, a vám eljárás alakszerűségeire, a belső fogyasztási és hasonló adókra ;

2. — Ingó és ingatlan vagyron szerzésére és birtoklására, az ezek feletti rendelkezés jogára, a kereskedelmi, ipari és mezőgazdasági tevékenység gyakorlásához való bocsátásra még pedig nemcsak az egyik szerződő fél állampolgárai tekintetében a másik szerződő fél területén, hanem — a biztosító társaságokat is ideértve — a kereskedelmi, ipari és pénzügyi társaságok tekintetében is, nemkülönben az ily esetekben fizetendő díjakra, adókra és egyéb közszolgáltatásokra ;

3. — A kereskedőkre, gyárosokra és kereskedelmi utazókra, akik ki tudják mutatni, hogy abban az államban, amelyben laknak, az általuk gyakorolt üzlet után a törvényes adókat megfizették, ha akár személyesen, akár szolgálatukban álló utazók által vásárlásokat tesznek vagy csak a magukkal vitt mustrák mellett megrendeléseket gyűjtenek, továbbá a magukkal vitt mustrákkal való elbánásra, nemkülönben az iparuk után fizetendő díjakra ;

4. — A hajók, a hajószemélyzet és a hajók rakományainak bebocsátására és a velük való elbánásra, valamint a hajózási illetékekre.

5. — Szállítási vállalkozók által szárazföldi és vízi uton személyek szállítására.

¹ Ratifications exchanged at Budapest December 30, 1920.

² The Hungarian Chargé d'Affaires at Berne, in a letter dated Sept. 7, 1921, informed the Secretary General of the League of Nations that the Hungarian Government would be prepared to send him any treaties concluded by Hungary in accordance with No. 13 of the memorandum on the subject approved by the Council of the League at Rome on May 19, 1920, but that, "as Hungary is not a Member of the League of Nations, the communication of such treaties should certainly be regarded as spontaneous, and the provisions of Article 18 of the Covenant, which lays down that no international treaties or agreements are binding until registered, are not, therefore, applicable to Hungary for the present." See also foot-note vol. II, page 60 of this "Series".

TRANSLATION ¹.

No. 187. — PROVISIONAL AGREEMENT BETWEEN THE GERMAN AND THE ROYAL HUNGARIAN GOVERNMENTS FOR THE REGULATION OF THEIR MUTUAL ECONOMIC RELATIONS. SIGNED AT BERLIN, JUNE 1, 1920.

Whereas the conditions prevailing at the time of the conclusion of the Commercial and Customs Treaty between the German Empire and the former Austro-Hungarian Monarchy in the year 1905 have, as a result of the world-war, undergone profound changes which clearly render the continuance of this Treaty impracticable, the GERMAN and the ROYAL HUNGARIAN GOVERNMENTS have decided to enter into the following provisional Agreement for the regulation of their mutual economic relations, pending the conclusion of a definitive commercial Treaty :

I.

The two Contracting Parties shall, until further notice, adopt the most-favoured-nation principle as the basis of their mutual economic relations. This shall apply especially to :

(1) Provisions, prohibitions and restrictions relating to import, export and transit traffic and their application ; to import and export duties, customs formalities, internal duties on consumption and similar taxes.

(2) The right of nationals of the one Party, and also of trading, industrial and financial companies, including insurance companies, to acquire, possess and dispose of movable and immovable property, and to engage in trade, commerce, industry and agriculture in the territory of the other ; also to the duties, taxes and charges payable in such cases.

(3) Merchants, manufacturers and commercial travellers who can prove that they have paid the taxes imposed by law on the business carried on by them in the State where they are habitually resident, when making purchases, or trying to secure orders by mere production of samples, either personally or through the medium of travellers employed by them. Likewise as regards all taxes payable upon samples brought with them, and on articles employed by them on the exercise of their profession.

(4) Admission and treatment of vessels, their crews and cargoes and likewise navigation dues.

(5) The carriage of passengers by land and water as undertaken by traffic agents.

II.

Exceptions to these principles shall only be admissible in so far as they refer to privileges which are granted by one of the two Contracting Parties to another State in accordance with a Customs

¹ Translated by the Secretariat of the League of Nations.

Convention at present existing, or hereafter to be concluded, and likewise to privileges which one of the Contracting Parties has accorded to a third State in respect of the so-called " little frontier trade " (within a zone extending 15 kilometres on either side of the frontier).

III.

Subject to the limitations mentioned below, which are required by economic conditions (*Vide* IV), the two Contracting Parties undertake that, in principle, the trade between their countries shall not be restricted by any import, export or transit prohibitions whatever.

Exceptions to this rule shall be permissible in the following cases, in so far as such exceptions are applied to all countries, or at least to all those countries where the same conditions obtain :

- (1) Owing to the necessities of war in exceptional circumstances.
- (2) Owing to considerations of public safety.
- (3) Owing to the requirements of the Health Authorities or with a view to the protection of animals or useful plants from diseases and parasites.
- (4) With the object of carrying out, as regards foreign goods, such prohibitions or restrictions as have been, or shall be, introduced by the home legislature with a view to encouraging the production of, trade in, conveyance or consumption of native goods of the same sort in the home country.

IV.

Since the economic consequences of the world-war in the two Contracting States do not, at the moment, permit of effect being given unconditionally to the principle laid down in Section III, the system of import and export restrictions at present existing in the two States shall be maintained so long as economic conditions make it necessary. Nevertheless each Party shall, in principle, endeavour to effect the removal of such restrictions so far as the economic situation shall permit.

As long as such import and export restrictions exist, every possible effort shall be made by each Party, in respect of the goods traffic of the other, to give sympathetic consideration to individual applications for exceptional treatment.

The two Governments are prepared to give full effect to import and export licences issued in accordance with existing regulations for the whole period during which they are valid, even if the export and import regulations already mentioned should be modified subsequently.

A licence may be cancelled :

- (1) If it endangers important public interests.
- (2) If it has been obtained by false declarations or improper means.

In case either of the two Contracting Parties should make the grant of export licences, as regards its own territory, dependent on the payment of export duties, such export duties shall not be levied on consignments for which an export licence had already been granted when the export duties were introduced without any reference to such duties, or if the export has actually been effected within six weeks after the introduction of the export duties.

Both Contracting Parties agree that, in cases in which it has not been possible for export licences already granted to be made use of at the right time, for reasons which can be proved to be beyond the control of the parties concerned, an extension shall be granted, on application, provided that the conditions under which the licences were granted still exist. An extension shall not, however, be refused on the ground that fresh export regulations have been introduced in the meantime.

V.

So far as the level of prices of exports is fixed in connection with the granting of export licences, trade agreements entered into before the issue of a schedule of prices (or of a schedule of new prices) shall not, as a rule, be affected if, when the agreements were concluded, account was taken of the schedule which was then in force, or of the market prices ruling at the time ; and if

- (a) the purchaser has already paid instalments ; or if
- (b) the consigner has already begun to carry out the contract ; or if
- (c) the purchaser has also already agreed to corresponding increases in price.

The Governments on both sides shall endeavour to arrange that the fixing of minimum export prices shall be effected in a manner which shall ensure the direct exchange of goods between Germany and Hungary, and shall exclude, so far as practicable, the granting of special privileges to purchasers in third States.

Further, the two Contracting Parties shall refrain, in the case of private purchases, from exercising any official influence on the parties concerned for the purpose of raising the prices agreed upon, if, when the contract in question was concluded, account was taken of the schedule of prices then in force, or to the market prices ruling at the time.

VI.

The transit of goods of all kinds and of persons from the territory of one of the two Contracting Parties through the territory of the other Party shall in future be subject, in principle, to no restrictions or transit dues of any kind.

An exception to the foregoing principle is permissible in the case of goods which form a State monopoly or are subject to arrangements resembling a monopoly in the State through which the transit takes place. Nevertheless, the transit of salt on the Danube shall be subject to no restrictions.

With regard to the exceptions to the principle of freedom of transit which are provided for above, the two Governments reserve the right to enter into further agreements at a later date as to the procedure to be applied in the case of transit. Until such time no change shall be made in the existing practice.

VII.

With regard to railway traffic between the two countries, the regulations set out in Annex A are hereby agreed to. Both Parties reserve the right, in case of necessity, to make new arrangements, by direct agreement, with regard to such railway traffic.

VIII.

Each of the two Contracting Parties shall admit the ships of the other Party and their cargoes under the same conditions and on payment of the same dues as its own ships. Such arrangements shall apply in the case of inland navigation, including inland coasting trade, and also in the case of admission of sea-going vessels flying the flag of the one Party, to the harbours and territorial waters of the other Party.

IX.

All public means of communication (highways, canals, locks, bridges, harbours, landing places, etc.), together with the installations appertaining thereto, shall be placed at the disposal of the

nationals of the one Party in the territory of the other Party in the same manner and under the same conditions and on payment of the same charges as in the case of the nationals of the State to which these means of communication belong.

X.

Each of the two Contracting Parties recognises the right of the other to appoint consuls in these harbours and trading centres of the other Party in which consuls of a third State are admitted.

The two States will agree to a consular Treaty with regard to the privileges, powers and immunities to be conferred on such consuls. Until such Treaty is concluded, no change shall be made in the practice hitherto obtaining; but the same rights, powers and immunities shall be granted till further notice to the consuls of both parties as Austro-Hungarian consuls have hitherto enjoyed in Germany, and German consuls in Austria-Hungary.

XI.

This Agreement shall be ratified, and the instruments of ratification shall be exchanged as soon as possible. The Agreement shall come into force on its ratification and shall remain operative in the first instance for three months. From this date onwards it shall remain in force until the end of a period of three months after it has been denounced by one of the Contracting Parties. The original texts have been prepared in German and Hungarian. As regards the interpretation of the Agreement, the German text shall be authentic in cases of doubt, in view of the fact that the negotiations were carried on in the German language.

BERLIN, *June 1, 1920.*

(Signed) V. STOCKHAMMERN.

(Signed) LERS.

ANNEX A.

I. GENERAL.

(1) The International Agreement on Railway Goods Traffic dated October 14, 1890, with the supplementary clauses, shall form the basis for regulating railway traffic between the Contracting Parties. In respect of any modifications of individual regulations which may be necessary at the present time, the railway administrations concerned shall, in so far as the Governments do not wish to settle these matters by direct agreement, come to an arrangement, subject to the approval of the Governments.

(2) No difference shall be made on the railways, in the case of the carriage of passengers and luggage, between the inhabitants of the territories of the respective Contracting Parties as regards the despatch, rates and public charges connected with railway rates.

(3) Goods consigned in Germany for transport to Hungary, or through Hungary to a third State, shall not, subject to reciprocal treatment on the Hungarian railways, receive less favourable treatment than the same kind of native goods or goods of a third State, proceeding in the same direction and on the same traffic routes, either with respect to despatch railway rates or public charges connected with such rates. The same shall apply on the German railways to goods consigned in Hungary, for forwarding to Germany, or through Germany to a third State.

This principle shall also be reciprocally applied to goods consigned in the territory of the one Party for transport by water to sea or river ports of the other Party, and thence forwarded by rail.

(4) The following conditions with regard to railway rates, reductions in charges, or similar privileges shall not apply, in respect of the same kind of goods proceeding from the territory of the other Contracting Party :

(a) The condition that the goods must be of home origin. This condition is tantamount to a demand that the goods shall not bear a description which could be applied to similar goods belonging to the other Contracting Party.

(b) The condition of consignment on the spot, except in cases of transport of goods by boat, or to meet a temporary case of special urgency. The condition of consignment on the spot is tantamount to a demand that the goods shall be brought to the despatching office by means of vehicles, trolleys (on private branch lines) light railways or on certain specified railway lines.

(5) The Contracting Parties shall endeavour to introduce through-rates in the case of carriage of passengers and goods so far as circumstances actually require, and so far as the conditions of exchange allow. The railway administrations concerned shall come to an agreement as to whether through-rates shall be introduced, and if so, to what extent.

(6) With regard to the employment of the wagons belonging to the German and to the Royal Hungarian State railways, the Agreement regarding the use of wagons in the area covered by the Union of German Railway Administrations continues to apply.

(7) The Contracting Parties shall endeavour to protect the railway traffic between each other's territories against disturbance or obstruction.

(8) The Contracting Parties shall endeavour to take into consideration, so far as is practicable, the requirements of through-traffic by providing convenient and reliable train connections and by co-ordination of the time-tables both for passenger and goods services.

II. PROVISIONAL REGULATIONS.

(1) The Royal Hungarian Government declares its readiness to restore to Germany without delay any German locomotives and wagons at present in Hungary, including all private tank-wagons.

The Royal Hungarian State Railways shall hand over German rolling-stock to the Austrian State Railways at Bruck-Kiralyhida for forwarding to Germany. Tank-wagons belonging to the German Government which have been hired out by that Government in Hungary shall for the present be excluded from the above provision.

(2) The German Government declares that it is ready to return any Hungarian railway wagons at present in Germany. Restitution shall be made in accordance with the wishes of the Royal Hungarian Government, which shall be communicated to the Central Railway Office in Berlin.

(Signed) v. STOCKHAMMERN.

(Signed) LERS.
