

No. 5702

**YUGOSLAVIA
and
BULGARIA**

Trade Agreement and Payments Agreement (with exchange of notes and annexes). Signed at Belgrade, on 16 March 1955

Protocol (with annex) concerning the settlement of the debt incurred by the Bulgarian State Railways towards the Yugoslav Railways in respect of transit traffic between 1 January 1949 and 31 December 1954. Signed at Belgrade, on 16 March 1955

Official texts: Serbo-Croat and Bulgarian.

Registered by Yugoslavia on 26 May 1961.

**YOUgoslavIE
et
BULGARIE**

Accord de commerce et Accord de paiement (avec échange de notes et annexes). Signés à Belgrade, le 16 mars 1955

Protocole (avec annexe) concernant le règlement des dettes des chemins de fer d'État bulgares envers les chemins de fer yougoslaves découlant des transports en transit effectués du 1^{er} janvier 1949 au 31 décembre 1954. Signé à Belgrade, le 16 mars 1955

Textes officiels serbo-croate et bulgare.

Enregistrés par la Yougoslavie le 26 mai 1961.

[TRANSLATION — TRADUCTION]

No. 5702. TRADE AGREEMENT¹ BETWEEN THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE PEOPLE'S REPUBLIC OF BULGARIA. SIGNED AT BELGRADE, ON 16 MARCH 1955

The Government of the Federal People's Republic of Yugoslavia and the Government of the People's Republic of Bulgaria, with a view to developing trade between the two countries, have agreed as follows :

Article 1

The exchange of goods between the Federal People's Republic of Yugoslavia and the People's Republic of Bulgaria shall be effected in accordance with the export, import and currency regulations in force in each Contracting Country.

Article 2

Reciprocal deliveries of goods shall be made within the limits of the annual quotas specified in schedules A² and B³ annexed to this Agreement.

The goods to be supplied by the Federal People's Republic of Yugoslavia to the People's Republic of Bulgaria are specified in schedule A.

The goods to be supplied by the People's Republic of Bulgaria to the Federal People's Republic of Yugoslavia are specified in schedule B.

Article 3

The competent authorities of the two Contracting Parties shall issue the requisite licences for the import and export of the goods specified in schedules A and B where such import or export is subject to the issue of licences.

The two Contracting Parties shall issue the requisite export and import licences at the appropriate time, having regard to the seasonal nature of the export or import concerned.

¹ Came into force on 18 November 1955 by an exchange of notes signifying the approval of the two Governments, in accordance with article 10.

² See p. 112 of this volume.

³ See p. 114 of this volume.

Article 4

The two Contracting Parties shall give sympathetic consideration to the possibility of increasing the quotas laid down in schedules A and B annexed to this Agreement and to the possibility of exporting and importing goods not specified in the said schedules.

The quota entitled "Miscellaneous" covers both goods which are not specified in schedules A and B and goods which are so specified but the quotas for which have been exhausted.

Article 5

The two Parties shall authorize their external trade organizations or undertakings to conclude contracts of purchase and sales within the scope of this Agreement.

Article 6

This Agreement shall not preclude the possibility of the conclusion of contracts on a compensation basis with the approval of the competent authorities of both Contracting Parties.

Article 7

A Mixed Commission composed of representatives of both Governments shall meet regularly once a year or at the request of either Contracting Party.

It shall be the function of the Mixed Commission to establish or amend the annual schedules of goods and to remove any difficulties which may arise with respect to trade and payments between the two countries.

The decisions of the Mixed Commission shall be subject to approval by the Governments of both countries.

Article 8

Payments relating to import and export transactions entered into under this Agreement shall be settled in accordance with the provisions of the Payments Agreement signed this day.¹

Article 9

Commercial transactions entered into under this Agreement but not completed during the period in which it is in force shall be settled in accordance with the provisions of this Agreement and of the Payments Agreement in force.

¹ See p. 116 of this volume.

Article 10

This Agreement shall enter into force upon its approval by the Governments of the Contracting Countries and shall remain in force until 31 March 1956.

On the expiry of this period, it shall be extended automatically for successive periods of one year unless it is denounced by either Contracting Country three months before the expiry of the agreed period.

DONE in duplicate at Belgrade on 16 March 1955 in the Serbo-Croat and Bulgarian languages, both texts being equally authentic.

For the Government
of the Federal People's Republic
of Yugoslavia :
(Signed) Borivoje ROMIĆ

For the Government
of the People's Republic
of Bulgaria :
(Signed) Ivan PERPELIEV

SCHEDULE A

EXPORTS FROM THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA TO THE PEOPLE'S REPUBLIC OF BULGARIA

	<i>Quantity in tons</i>	<i>Value in thousands of US dollars</i>
(1) Gas oil	10,000	
(2) Pyrite concentrates	10,000	
(3) Refractory materials		20
(4) Caustic soda	1,500	
(5) Sulphite cellulose	1,500	
(6) Paper and cardboard		80
(7) Cigarette paper	100	
(8) Miscellaneous chemical products		80
(9) Tannin	120	
(10) Creosote	p.m.	
(11) Hemp, tow, twine and nets		30
(12) Staple fibre and miscellaneous synthetic yarns		20
(13) Horseshoe nails	200	
(14) Iron sheets	1,000	
(15) Scythes and sickles	25,000 items	
(16) Industrial rails and accessories	500	
(17) Miscellaneous chains		20
(18) Water-pipes		50
(19) Electrical cables		10
(20) Machinery, equipment and spare parts		150
(21) Salted and fresh fish	250	
(22) Hops	10	
(23) Miscellaneous seeds		50

	<i>Quantity in tons</i>	<i>Value in thousands of US dollars</i>
(24) Sawn oak wood	p.m.	
(25) Literature, periodicals, postage stamps and films . . .		15
(26) Copper machining		80
(27) Miscellaneous		500

SCHEDULE B

EXPORTS FROM THE PEOPLE'S REPUBLIC OF BULGARIA TO THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA

	<i>Quantity in tons</i>	<i>Value in thousands of US dollars</i>
(1) Nitrogenous fertilizers	3,500	
(2) Machine oils	1,500	
(3) Medicinal castor oil	100	
(4) Miscellaneous chemical and pharmaceutical products .		50
(5) Manganese ore	4,000	
(6) Kaolin	2,000	
(7) Felspar	2,000	
(8) Cement	p.m.	
(9) Lard	500	
(10) Sunflower seeds	3,000	
(11) Rice	500	
(12) Vegetable seeds		50
(13) Frozen fruits and vegetables		50
(14) Vetch seeds	500	
(15) Raw silk	20	
(16) Machinery, equipment and spare parts		100
(17) Literature, periodicals, postage stamps and films . .		15
(18) Attar of roses	3 kg.	
(19) Miscellaneous		500

PAYMENTS AGREEMENT¹ BETWEEN THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE PEOPLE'S REPUBLIC OF BULGARIA. SIGNED AT BELGRADE, ON 16 MARCH 1955

The Government of the Federal People's Republic of Yugoslavia and the Government of the People's Republic of Bulgaria have agreed that payments between the two countries shall be governed by the following provisions :

Article 1

All payments between the two countries which are provided for in this Agreement shall be made in accordance with the currency regulations in force in the Federal People's Republic of Yugoslavia and the People's Republic of Bulgaria.

Article 2

For this purpose, the National Bank of the Federal People's Republic of Yugoslavia, Belgrade acting as the agent of the Government of the Federal People's Republic of Yugoslavia and the Bulgarian National Bank, Sofia, acting as the agent of the Government of the People's Republic of Bulgaria, shall each open for the other an account, expressed in United States dollars as the currency of account, called the "Collective Account in United States dollars".

This account shall not bear interest and shall be free of commissions or charges.

Article 3

Payments to be made in the Federal People's Republic of Yugoslavia on the orders of the Bulgarian National Bank for the purposes specified in article 6 of this Agreement shall be debited by the National Bank of the Federal People's Republic of Yugoslavia to the "Collective Account in United States dollars" of the Bulgarian National Bank and credited by the Bulgarian National Bank to the "Collective Account in United States dollars" of the National Bank of the Federal People's Republic of Yugoslavia.

Payments to be made in the People's Republic of Bulgaria on the orders of the National Bank of the Federal People's Republic of Yugoslavia for the purposes specified in article 6 of this Agreement shall be credited by the National Bank of the Federal People's Republic of Yugoslavia to the "Collective Account in United States dollars" of the Bulgarian National Bank and debited by the

¹ Came into force on 18 November 1955 by an exchange of notes signifying the approval of the two Governments, in accordance with article 10.

Bulgarian National Bank to the " Collective Account in United States dollars " of the National Bank of the Federal People's Republic of Yugoslavia.

Article 4

The payment orders of the two Banks shall be expressed in United States dollars as the currency of account. All contracts of purchase and sale, invoices and other payment documents in virtue of which payments are to be made under the provisions of this Agreement shall likewise be expressed in United States dollars as the currency of account.

Article 5

The National Bank of the Federal People's Republic of Yugoslavia and the Bulgarian National Bank shall honour each other's payment orders until such time as the Collective Account referred to in article 2 of this Agreement shows a debit or credit balance of \$US500,000. In such event, the debtor bank shall suspend the issue of payment orders to the creditor bank until the Collective Account contains the necessary funds.

Article 6

Payments for the following purposes shall be effected through the account referred to in article 2 of this Agreement :

- (1) The supply of goods;
- (2) Subsidiary costs arising out of trade, such as : insurance, reinsurance, charges for the qualitative and quantitative inspection of goods on receipt;
- (3) Processing, finishing and assembly costs;
- (4) Commissions, rebates, discounts for cash, penalties, bonuses, etc.;
- (5) Fees and royalties in respect of patents, licences, trade-marks, copyrights, technical documentation, etc.;
- (6) Commercial representation expenses, buyers' expenses, advertising, fees, salaries and wages, relief, maintenance under court and administrative orders, pensions, annuities, allowances, etc.;
- (7) Travel and touring expenses, costs of schooling and specialized training, treatment in hospitals and health resorts, etc.;
- (8) The cost of display and participation in international fairs and exhibitions;
- (9) Expenditure on and revenue from public services, taxes, fines, court and arbitration costs, etc.;

- (10) Maintenance of diplomatic and consular missions and delegations;
- (11) Income from and expenditure on cultural and similar performances and film rentals and the cost of athletic events;
- (12) Payment of the balances resulting from periodical settlements between the railway, postal, telegraph, telephone and radio administrations of the two countries;
- (13) Payment of freight charges on Yugoslav and Bulgarian vessels used in river traffic for the purpose of trade between the two countries and with third countries;
- (14) Payment of ocean freight charges and harbour dues in respect of Yugoslav and Bulgarian vessels passing through Yugoslav or Bulgarian seaports;
- (15) Payment of loading, unloading, transshipment and warehousing charges, demurrage and harbour dues for barges and vessels at the river and sea ports of the two countries;
- (16) Payment for services rendered and expenses incurred by international transport and forwarding undertakings;
- (17) The cost of locomotive towing through the Sip canal;
- (18) Payment of import and export duties at the State frontiers and of pilotage charges for Yugoslav and Bulgarian vessels in river traffic;
- (19) Payment of expenses incurred in the bilateral maintenance of river transport agencies and representation in the territories of the two countries and the customary cash advances to cover the needs of the crews of Yugoslav and Bulgarian vessels;
- (20) The cost of urgent minor repairs to Yugoslav and Bulgarian vessels at the river and sea ports of the two countries;
- (21) The cost of towing Yugoslav and Bulgarian vessels in direct and indirect river traffic;
- (22) The cost of assistance rendered to each other's river vessels and of winter moorings at the river ports of the two countries;
- (23) Any other payments, by prior agreement between the two Banks.

Article 7

The National Bank of the Federal People's Republic of Yugoslavia and the Bulgarian National Bank shall agree on the detailed technical arrangements necessary to ensure the unimpeded execution of this Agreement.

Article 8

After the expiry of this Agreement, the debit balance established in the account referred to in article 2 shall be liquidated within a period of six months by deliveries of goods agreed between the two countries. The Contracting Parties shall take all necessary measures to ensure that the balance is liquidated by deliveries of goods.

If the balance in the account referred to in article 2 of this Agreement has not been liquidated by the end of the said period of six months, the representatives of the two countries shall meet in order to determine the manner of settling it.

The provisions of articles 1 to 8 of this Agreement shall remain in force until the debit balance has been completely liquidated.

Article 9

The Agreement for the settlement of non-commercial payments of 17 December 1947 shall cease to have effect upon the entry into force of this Agreement.

Article 10

This Agreement shall enter into force upon its approval by the Governments of the Contracting Countries and shall remain in force until 31 March 1956.

On the expiry of the said period, it shall be extended automatically for successive periods of one year unless it is denounced by either Contracting Country three months before the expiry of the agreed period.

DONE at Belgrade on 16 March 1955, in duplicate, in the Serbo-Croat and Bulgarian languages, both texts being equally authentic.

For the Government
of the Federal People's Republic
of Yugoslavia :

(Signed) Borivoje ROMIĆ

For the Government
of the People's Republic
of Bulgaria :

(Signed) Ivan PERPELIEV

EXCHANGE OF NOTES

I

THE CHAIRMAN OF THE YUGOSLAV DELEGATION

Belgrade, 16 March 1955

Sir,

In the Trade Agreement¹ and the Payments Agreement² signed this day between our two countries it is provided that the said Agreements shall enter into force upon their approval by the Governments of the Contracting Parties.

Our delegations have agreed that the Trade Agreement and the Payments Agreement signed this day shall enter into force provisionally from the date of signature.

Please be good enough to confirm your agreement to the foregoing.

I have the honour to be, etc.

(Signed) Borivoje ROMIĆ

Mr. Ivan Perpeliev
Chairman of the Bulgarian delegation
Belgrade

II

THE CHAIRMAN OF THE BULGARIAN DELEGATION

Belgrade, 16 March 1955

Sir,

I acknowledge receipt of your letter of 16 March 1955, which reads as follows :

[See note I]

I have the honour to confirm that I agree to the contents of the above letter.

I have the honour to be, etc.

(Signed) Ivan PERPELIEV

Mr. Borivoje Romić
Chairman of the Yugoslav delegation
Belgrade

¹ See p. 108 of this volume.

² See p. 116 of this volume.

III

THE CHAIRMAN OF THE YUGOSLAV DELEGATION

Belgrade, 16 March 1955

Sir,

In the course of the negotiations which were completed today by the conclusion of a Payments Agreement between our two countries, a question arose regarding the liquidation of the balance in the account opened pursuant to the Compensation Agreement between the Federal Chamber of External Commerce of the Federal People's Republic of Yugoslavia and the Chamber of Commerce of the People's Republic of Bulgaria, dated 12 November 1954.

In this connexion I have the honour to propose to you that the balance of the said account, as determined on 31 March 1955, should be transferred to the new account which is to be opened pursuant to the Payments Agreement between the Federal People's Republic of Yugoslavia and the People's Republic of Bulgaria signed this day, instead of being liquidated by additional deliveries of goods up to 30 April 1955 as provided in the Compensation Agreement.

Please be good enough to confirm your agreement to the foregoing.

I have the honour to be, etc.

(Signed) Borivoje ROMIĆ

Mr. Ivan Perpeliev
Chairman of the Bulgarian delegation
Belgrade

IV

THE CHAIRMAN OF THE BULGARIAN DELEGATION

Belgrade, 16 March 1955

Sir,

I acknowledge receipt of your letter of 16 March 1955 which reads as follows :

[See note III]

I have the honour to inform you that I agree to your proposal.

I have the honour to be, etc.

(Signed) Ivan PERPELIEV

Mr. Borivoje Romić
Chairman of the Yugoslav delegation
Belgrade

PROTOCOL¹ CONCERNING THE SETTLEMENT OF THE DEBT INCURRED BY THE BULGARIAN STATE RAILWAYS TOWARDS THE YUGOSLAV RAILWAYS IN RESPECT OF TRANSIT TRAFFIC BETWEEN 1 JANUARY 1949 AND 31 DECEMBER 1954. SIGNED AT BELGRADE, ON 16 MARCH 1955

With a view to the settlement of the debt incurred by the Bulgarian State Railways towards the Yugoslav Railways in respect of transit traffic during the period 1 January 1949 to 31 December 1954, the delegation of the Government of the Federal People's Republic of Yugoslavia and the delegation of the Government of the People's Republic of Bulgaria have agreed as follows :

Article 1

The Government of the People's Republic of Bulgaria undertakes to pay, within a period of one year from the date of signature of this Protocol, the debt of the Bulgarian State Railways to the Yugoslav Railways in the amount, expressed in United States dollars as the currency of account, of \$US2,790,774.18 (two million seven hundred and ninety thousand seven hundred and seventy-four dollars and eighteen cents), being the balance determined on 31 December 1954.

Article 2

The debt referred to in the preceding article shall be paid off as follows :

—By the value of exports from the People's Republic of Bulgaria to the Federal People's Republic of Yugoslavia, which the Government of the People's Republic of Bulgaria undertakes to deliver by 16 March 1956 at normal export prices in accordance with the annexed schedule of goods C,² which forms an integral part of this Protocol;

—By the balance standing to the credit of the Bulgarian National Bank in the accounts kept at the National Bank of the Federal People's Republic of Yugoslavia under the Trade and Commercial Payments Agreement between the Federal People's Republic of Yugoslavia and the People's Republic of Bulgaria and the Agreement between the Government of the Federal People's Republic of Yugoslavia and the Government of the People's Republic of Bulgaria for the settlement of non-commercial payments of 17 December 1947, amounting on the date of signature of this Protocol to the sum, expressed in United States

¹ Came into force on 16 March 1955 by signature, in accordance with article 6.

² See p. 132 of this volume.

dollars as the currency of account, of \$US199,841.00 (one hundred and ninety-nine thousand eight hundred and forty-one dollars);

—Through the liquidation of the balance in the account between the Yugoslav undertaking “Jugošped”, Belgrade, and the Bulgarian undertaking “Despred”, Sofia, based on transactions between them up to the date of the entry into force of this Protocol.

Article 3

The sums specified in article 2 shall be credited to a special account, expressed in United States dollars as the currency of account, of the Bulgarian National Bank at the National Bank of the Federal People's Republic of Yugoslavia and the debt of the Bulgarian State Railways to the Yugoslav Railways shall be reduced automatically thereby.

The National Bank of the Federal People's Republic of Yugoslavia shall make payments to the General Directorate of the Yugoslav Railways out of the said special account according to the funds available.

Article 4

All claims of the Bulgarian State Railways arising out of the transit of Yugoslav goods through the People's Republic of Bulgaria from the date of signature of this Protocol may be applied by the Bulgarian State Railways towards the liquidation of the debt referred to in article 1 of this Protocol.

Article 5

If, on the expiry of one year from this date, the funds in the account of the Bulgarian National Bank at the National Bank of the Federal People's Republic of Yugoslavia referred to in article 3 of this Protocol fail to reach the amount of the debt specified in article 1, the two Contracting Parties shall agree within a period of one month whether the remainder of the debt shall be liquidated by transferring the requisite sum from the Collective Account established by the Payments Agreement signed this day¹ or by additional deliveries of goods composed as specified in the annexed schedule of goods C.

If on the expiry of one year, or on the liquidation of the entire debt specified in article 1, the special account established under article 3 of this Protocol shows a surplus, the National Bank of the Federal People's Republic of Yugoslavia shall credit the remaining funds to the Collective Account of the Bulgarian National Bank at the National Bank of the Federal People's Republic of Yugoslavia and thereby wind up the special account.

¹ See p. 116 of this volume.

Article 6

This Protocol shall enter into force on the date of signature.

DONE at Belgrade on 16 March 1955, in duplicate in the Serbo-Croat and Bulgarian languages, both texts being equally authentic.

For the Government
of the Federal People's Republic
of Yugoslavia :

(Signed) Borivoje ROMIĆ

For the Government
of the People's Republic
of Bulgaria :

(Signed) Ivan PERPELIEV

SCHEDULE C TO THE PROTOCOL CONCERNING THE SETTLEMENT OF
THE DEBT INCURRED BY THE BULGARIAN STATE RAILWAYS
TOWARDS THE YUGOSLAV RAILWAYS, DATED 16 MARCH 1955¹

EXPORTS FROM THE PEOPLE'S REPUBLIC OF BULGARIA
TO THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA

	<i>Quantity in tons</i>	<i>Value in thousands of US dollars</i>
Tobacco	900*	
Sunflower seeds	2,000	
Rice	500	
High-grade pulps	1,000	
Grapes	1,000	
Anthracite	10,000	
Bone meal	500	
Textiles :		
Raw unbleached cotton		200
Handwoven linen		100
Wool for carpets		100

* In the event of the Yugoslav tobacco-purchasing undertaking wishing to re-export the tobacco, the prior consent of the Bulgarian supplier must be obtained to the re-export price in order to avoid any interference with the normal prices obtainable at the time for the corresponding types of tobacco in the market concerned.

¹ See p. 128 of this volume.