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COMMITTEE OF ECONOMIC ADVISERS  
SUBMISSION OF TEXT OF SOVIET BLOC MULTILATERAL  
CLEARING AGREEMENT

Note by the United States Delegation

The United States Delegation submits as Annex A to this Note the text of the Agreement on Multilateral Clearing, signed on 20th June, 1957, among Soviet Bloc member Governments of the Council for Mutual Economic Aid. While the text does not add significantly to previously available knowledge of the 20th June agreement, the United States Delegation wishes to make it conveniently available to all Committee members in order to facilitate further discussion of questions which might be put to Soviet Bloc representatives at the ECE as suggested in Annex I to the US Note of 4th March, 1958 (AC/127-D/28).

2. The United States Delegation also wishes to draw attention to an analysis of the Soviet Bloc clearing union prepared by the International Monetary Fund and circulated as OEEC document MBC(57)93.

Palais de Chaillot,  
Paris, XVIe.

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TEXT OF AGREEMENT ON MULTILATERAL CLEARING SIGNED  
ON 20th JUNE, 1957 AMONG MEMBER GOVERNMENTS  
OF THE COUNCIL FOR MUTUAL ECONOMIC AID

AGREEMENT ON MULTILATERAL CLEARING

The Governments of the People's Republic of Albania, the People's Republic of Bulgaria, the Czechoslovak Republic, the German Democratic Republic, the Hungarian People's Republic, the Polish People's Republic, the Rumanian People's Republic and the Union of Soviet Socialist Republics, considering that the introduction of multilateral clearing accounts between their respective countries will promote a further increase in trade among them and also an expansion of their trade with other countries, have agreed as follows:

Article 1

Additional trade shall be carried out on a multilateral basis among the countries concluding the present Agreement which are already trading in pursuance of bilateral agreements between them so as to enable any country party to the Agreement to purchase goods in any other such country no matter in which such country party it may sell such goods.

Deliveries of goods pursuant to this Agreement shall be made in accordance with the general conditions of delivery in force between the countries parties to the Agreement.

Article 2

The following operations shall be carried out in pursuance of the present Agreement:

- (a) transfers of the amounts, as determined by mutual agreement, by which the yearly bilateral trade agreements between countries parties to the Agreement fail to balance;
- (b) transfers of individual amounts from the bilateral accounts to the multilateral clearing account, by agreement between the interested parties.

Each country may propose to other countries parties to the present Agreement any goods for clearance through the multilateral clearing.

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Article 3

The total amount of payments made through the multi-lateral clearing by each of the countries parties to the present Agreement in any calendar year shall be equal to the total amount of such country's receipts from other countries parties to the Agreement over the same period.

Article 4

For the purposes of accounting through the multi-lateral clearing, the Central Banks shall reciprocally open special interest-free rouble accounts. The Central Bank of the delivering country shall collect payment for goods delivered under the present Agreement, in accordance with the rules of the general conditions of delivery between the various countries, by debiting the account of the Central Bank of the purchasing country in the multilateral clearing.

Article 5

The Contracting Parties shall establish a Clearing Agency as a central institution for carrying out all accounting operations pursuant to the present Agreement. The Clearing Agency shall open a rouble account in favour of each of the Central Banks of the countries parties to this Agreement.

The Central Banks of the countries parties to the Agreement shall similarly open a rouble account in the name of the Clearing Agency.

The Central Banks of the countries parties to the Agreement shall inform the Clearing Agency each month of the balance in their multilateral clearing accounts. The Clearing Agency shall determine, on the basis of this return, the over-all balance in the account of each Central Bank and apply such balance to its account, notifying the Bank concerned accordingly. Upon receipt of such notification, the Central Banks shall make the corresponding entries in their multilateral clearing accounts.

The countries parties to the Agreement shall entrust the operation of the Clearing Agency to the State Bank of the Union of Soviet Socialist Republics.

Expenditure incurred in operating the Clearing Agency shall be borne by the countries parties to the Agreement proportionately to the turnover in their accounts with the Clearing Agency.

Article 6

The amount which any country party to the Agreement may owe to the Clearing Agency, or the amount which it may receive from the Agency in the form of credits, shall be limited to 3 per cent of the value of such country's total exports during the previous year under bilateral agreements relating to reciprocal deliveries of goods among the countries parties to the Agreement.

Article 7

The Clearing Agency shall charge interest on all debit balances of countries parties to this Agreement in excess of 25 per cent of the limit laid down above. Interest shall be charged at the rate of 2 per cent per annum for debit balances amounting to between 25 and 50 per cent of the limit and at 3 per cent per annum for debit balances exceeding 50 per cent of the limit.

Article 8

The Clearing Agency shall ensure that no country party to this Agreement receives credits in excess of the limit established for such country. Where such limit is reached, the Clearing Agency shall notify all country parties to the present Agreement thereof and the debtor country shall cease purchasing goods under this Agreement until such time as the state of its account allows it to make new purchases.

Article 9

Where the prescribed limit of indebtedness is exceeded, the debtor country undertakes to pay off the amount of such excess by deliveries of goods within a period of three months reckoned from the end of the month in which the excess indebtedness was incurred. Should such excess indebtedness not be liquidated within the prescribed period, the debtor country concerned undertakes to pay off the outstanding excess indebtedness within one month, by deliveries of the goods specified in the schedule annexed to the present Agreement.

Article 10

Where at the end of any calendar year the indebtedness of any country exceeds 25 per cent of the limit prescribed for it, the country concerned shall pay off the excess indebtedness within three months, upon which it may again avail itself of credits within the prescribed limit.

Article 11

The total amount of interest charged by the Clearing Agency in any year shall be distributed among creditor countries proportionately to the total amount and duration of their credit balances with the Clearing Agency.

Article 12

A commission consisting of representatives of the Ministries of Foreign Trade of the countries parties to the present Agreement shall be set up to agree all operations connected with the multilateral clearing, to consider proposals made or questions raised by individual countries, to consider the reports rendered by the Clearing Agency and to draw up recommendations for the further development of multilateral clearing.

The commission shall meet as required, but not less frequently than once a quarter. The Commission shall draw up its own rules of procedure.

Article 13

The Central Banks of countries to the present Agreement shall agree the procedures for mutual accounting under the present agreement.

Article 14

Other countries may accede to the present Agreement subject to the unanimous assent of all the Contracting Parties.

Article 15

The present Agreement shall come into force on the day on which it is signed and shall remain in force until such time as not less than two-thirds of the countries parties to it shall denounce it.

Any country party to this Agreement may withdraw therefrom by giving three months' notice of its intention.

Any debtor country shall, on withdrawal from the Agreement, pay off its indebtedness. Should such indebtedness not be paid off, the debtor country concerned undertakes to liquidate it within three months by deliveries of goods specified in the schedule annexed to this Agreement, or by payment in gold or in free currency.

Done at Warsaw on June 20th, 1957 in one copy in each of the following languages, all of which are equally authentic: Albanian, Bulgarian, Czech, German, Hungarian, Polish, Rumanian and Russian.

Certified copies of the present agreement shall be communicated to the Government of the Polish People's Republic, the depository for the Agreement, by all other countries parties thereto.

The following, being duly appointed thereto, have signed the present Agreement:

For the Government of the People's Republic of Albania	Kellezi
For the Government of the People's Republic of Bulgaria	Zhivkov
For the Government of the Czechoslovak Republic	Dvorak
For the Government of the German Democratic Republic	Hattenrauch
For the Government of the Hungarian People's Republic	Ince
For the Government of the Polish People's Republic	Tramczynski
For the Government of the Rumanian People's Republic	Popescu
For the Government of the Union of Soviet Socialist Republics	Loshakov

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Annex to the Agreement on Multilateral Clearing of 20th June 1947

Goods by deliveries of which indebtedness to the  
multilateral clearing can be settled

Hard coal  
Synthetic rubber  
Motor-vehicle tyres  
Sawn timber  
Diesel fuel  
Fuel oil  
Rolling mill products  
Aluminium  
Zinc concentrates  
Potassium salts  
Grain  
Sugar  
Meat  
Tobacco