

Claims Settlement between Canada and Bulgaria

ON June 30, 1966, the Secretary of State for External Affairs, the Honourable Paul Martin, on behalf of the Government of Canada, and His Excellency, Mr. Gero Grozev, First Deputy Minister of Foreign Affairs of Bulgaria, signed an agreement in Ottawa relating to the settlement of financial matters.⁽¹⁾ Under this instrument, the Bulgarian Government undertook (Article 1) to "pay to the Canadian Government the lump sum of forty thousand Canadian dollars in full and final settlement of the claims of the Government of Canăca, Canadian citizens and Canadian juridical persons against the Bulgarian Government in respect of property, rights, interests and debts in Bulgaria which have been affected directly or indirectly by Bulgarian measures of nationalization, expropriation or other similar measures which have taken effect before the date of the present agreement". Payment of this sum was made by the Bulgarian Government within the two-month deadline specified in the agreement and credited to a special account in the Consolidated Revenue Fund of Canada called the Foreign Claims Fund, which had been established pursuant to Vote 22a of the Appropriation Act, No. 7, 1966, and to which funds received from foreign countries in settlement of Canadian claims are to be credited.

In discussing Canada's settlement with Bulgaria, a Canadian writer has pointed out that "the settlement with Bulgaria is the first and only global settlement achieved to date with a Communist country by the Canadian Government of post Second World War claims arising out of nationalization programmes and similar measures".⁽²⁾ The only other settlement of this nature under which Canadians benefited was the 1948 United Kingdom-Yugoslavia Agreement concluded on behalf of British nationals and "those of other Commonwealth countries".

Lump-sum Compensation

The Department of External Affairs had a record of claims against Bulgaria amounting to about \$800,000, but a number of these were ineligible because they could not meet the requirements for diplomatic espousal (in particular, the requirement that the claimant have Canadian nationality at the time of the loss and up to the time of espousal of the claim by the Canadian Government). The adjudicated value of the eligible claims was about \$180,000, and the

- (1) *Canada Treaty Series (1966) No. 16*. With agreed minute and related notes on the establishment of diplomatic relations and of diplomatic and trade representation and on consular matters, in force on date of signature.
- (2) Charles V. COLE, "A Generation of Canadian Experience with International Claims", *British Year Book of International Law* 41 (1965-66), P. 368 at P. 374. This article, which was written before the distribution of the Bulgarian funds to entitled claimants, traces the development of Canadian international claims practice from acquisition of full responsibility in the field by the Canadian Government to the present. It includes a section on nationalization claims. (Mr. Cole is a member of the Department of External Affairs.)