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**ECONOMIC COMMISSION FOR EUROPE**

**INLAND TRANSPORT COMMITTEE**

Working Party on Road Transport  
(Ninety-fourth session, 14-16 November 2000,  
agenda item 4 (d))

**HARMONIZATION OF REQUIREMENTS CONCERNING  
INTERNATIONAL ROAD TRANSPORT AND  
FACILITATION OF ITS OPERATION**

Revision of the Convention on the Contract for the International Carriage of  
Passengers and Luggage by Road (CVR)

Transmitted by the International Road Transport Union (IRU)

Note by the secretariat: At its ninety-third meeting, the representative of IRU explained that the value of the gold franc (used to calculate compensation) had increased six-fold since the establishment of the Convention and that the level of compensation would perhaps now be acceptable to a larger number of Governments. The representative of IRU gives further explanations below.

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In order to find an equivalent in the national currency of the gold franc referred to in the Convention on the Contract for the International Carriage of Passengers and Luggage by Road (CVR), it must be known whether the national currency concerned is based on gold or not.

Where the national currency is based on gold (the case is very rare today), reference must be made to the official parity between gold and the currency, established by the competent authorities.<sup>1</sup>

In countries where the currency is not based on gold (the great majority), the gold franc corresponds to the value of the gold contained in the franc, calculated according to the market price of gold.

Currently, for all countries, the base value should be taken to be the value of the gold contained in the gold franc according to the market price of gold.

On 18 August 2000, a kilogram of gold cost 15,130 Sw F in Zurich and 9,750 euros in Paris. This means that it was possible to buy 0.0660938 gr of gold for 1 Sw F, and 0.1025641 gr for 1 euro.

The gold franc referred to in the CVR Convention, which contains  $10/31 = 0.322580645$  gr of gold of millesimal fineness 900, or 0.29032258 gr of fine gold, was on 18 August 2000 worth  $0.29032258:0.0660938 = 4.3925841$  Sw F and  $0.29032258:0.1025641 = 2.8306452$  euros.

On 18 August 2000, 1 special drawing right (SDR) was worth 2.2465 Sw F and 1.43484 euros.

According to the CVR Convention, signed on 1 March 1973 (not amended by the Protocol of 5 July 1978), the total amount of damages to be paid by the carrier may not exceed 250,000 gold francs per victim, 500 gold francs per unit of luggage, or, for all of a passenger's luggage, 2,000 gold francs per passenger.

According to the CVR Convention as amended by the Protocol of 5 July 1978, these ceilings are 83,333 SDRs per victim, 166.67 SDRs per unit of luggage and, for all of a passenger's luggage, 666.67 SDRs per passenger, respectively.

While in 1978 the ceilings expressed in gold francs and in SDRs were identical, this is no longer so in the year 2000.

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<sup>1</sup> For example, in the case of Switzerland whose currency was partly based on gold up to the first half of 1999 (subsequently, Switzerland abandoned any reference to gold), parity between gold and the Swiss franc was officially established by the Swiss authorities, independently of the price of gold on the market. As a result, both in 1977 and in 1999 the sum of 25 gold francs was the equivalent of 33.35621 Swiss francs, independently of the depreciation of the Swiss franc meantime and the price of gold on the market.

In France, at the time when the French franc was based on gold, one French franc was deemed to contain 160 mg of gold, which meant that 25 gold francs could be considered the equivalent of 45.55 FF.

The following differences may be seen in these ceilings, as expressed in Swiss francs and euros on 18 August 2000:

<u>CVR Convention not amended by the Protocol of 5 July 1978</u>		<u>CVR Convention amended by the Protocol of 5 July 1978</u>	
250,000 gold francs	= 1,098,146 Sw F	83,333 SDRs	= 187,208 Sw F
	= 707,661 euros		= 119,570 euros
500 gold francs	= 2,196 Sw F	166.67 SDRs	= 374 Sw F
	= 1,415 euros		= 239 euros
2,000 gold francs	= 8,785 Sw F	666.67 SDRs	= 1,498 Sw F
	= 5,661 euros		= 957 euros

It emerges that the ceilings currently expressed in gold francs are nearly six times higher than those expressed in SDRs.

It should be noted that the six countries (Czech Republic, Slovak Republic, Latvia, Croatia, Bosnia and Herzegovina and Yugoslavia) acceded to the CVR Convention of 1 March 1973, but not to the Convention as amended by the Protocol of 5 July 1978.

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