

No. 1156

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
CZECHOSLOVAKIA**

**Trade and Financial Agreement. Signed at London, on
28 September 1949**

Official texts: English and Czech.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
11 April 1951.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
TCHÉCOSLOVAQUIE**

**Accord commercial et financier. Signé à Londres, le
28 septembre 1949**

Textes officiels anglais et tchèque.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
11 avril 1951.*

No. 1156. TRADE AND FINANCIAL AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC. SIGNED AT LONDON, ON 28 SEPTEMBER 1949

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Czechoslovak Republic,

Having regard to the Treaty of Commerce between the United Kingdom and the Czechoslovak Republic dated 14th July, 1923,²

Desiring to ensure the development of Anglo-Czechoslovak trade to their mutual advantage,

Attaching particular importance to a settlement of the financial questions outstanding between the two countries,

Have agreed as follows :—

Article 1

The Czechoslovak Government undertake to make available for export to the United Kingdom during the first year of the present Agreement, and the Government of the United Kingdom undertake to permit the import of (or, if the goods are in practice purchased by the Government, to purchase) in that year, goods of the kinds listed in Part I of Schedule I to the present Agreement in the values or quantities specified in that Schedule.

Article 2

The Government of the United Kingdom undertake to permit the import into the United Kingdom during the first year of the present Agreement of miscellaneous goods of kinds to be agreed between them and the Czechoslovak Government, which shall be goods of kinds other than those to be imported under Article 1 of the present Agreement, up to a c.i.f. value of £ 5,750,000.

Article 3

The Czechoslovak Government undertake to permit the import into Czechoslovakia, and to make available the necessary foreign exchange, during

¹ Came into force on 28 September 1949, as from the date of signature, in accordance with article 12.

² League of Nations, *Treaty Series*, Vol. XXIX, p. 377; Vol. XLV, p. 128, and Vol. LIV, p. 396.

the first year of the present Agreement, of goods originating in the United Kingdom or in any territories for the international relations of which the Government of the United Kingdom are responsible (hereinafter called "the British overseas territories"), of the kinds listed in Schedule II to the present Agreement in the values or quantities specified in that Schedule.

Article 4

(a) The Czechoslovak Government undertake to make available for export to the United Kingdom goods, in order to meet the essential requirements of the United Kingdom, to a total value of £4,500,000 in each year subsequent to the first year of the present Agreement. These goods shall include goods of the kinds specified in Part II of Schedule I to the total values or quantities there shown and such other kinds of goods as may be agreed under Article 10.

(b) The Government of the United Kingdom undertake to permit the import of (or, if the goods are in practice purchased by the Government, to purchase) in each year subsequent to the first year of this Agreement the goods of a total value of £4,500,000 mentioned in paragraph (a) of this Article.

Article 5

The Government of the United Kingdom undertake to permit the import into the United Kingdom from Czechoslovakia, in each year subsequent to the first year of the present Agreement, of miscellaneous goods of kinds to be agreed, other than those agreed under Article 4, up to a c.i.f. value of £5,750,000, with a view to facilitating the payment of the financial liabilities referred to in Article 8, the import into Czechoslovakia of the goods referred to in Article 6 and the use of United Kingdom trading services.

Article 6

The Czechoslovak Government undertake to permit the import into Czechoslovakia, and to make available the necessary foreign exchange, in each year subsequent to the first year of the Agreement, of miscellaneous goods originating in the United Kingdom or in any of the British overseas territories up to a value of £1,500,000.

Article 7

The undertakings set forth in the foregoing Articles are subject :

(a) in the case of the undertakings set forth in Articles 1 and 4, to price, type, specification and quality being satisfactory;

- (b) in the case of goods imported in practice by either contracting Government or any of its agencies, to the terms of any contracts that may have been or may be concluded by the contracting Government or such agency;
- (c) in the case of foodstuffs to be imported into the United Kingdom, to compliance with any applicable health regulations in force in the United Kingdom; and
- (d) in the case of goods imported otherwise than by either contracting Government, to application being made for an import licence.

Article 8

(a) The Czechoslovak Government shall pay, or cause to be paid, within the period of five years beginning 1st July, 1949, not less than £15 million in sterling in accordance with the provisions of this Article.

(b) The following payments, if made in sterling during the period mentioned in paragraph (a) of this Article, shall be regarded as a discharge, to the extent of the payments so made, of the obligation of the Czechoslovak Government under that paragraph :

- (i) payments by the Czechoslovak Government in accordance with the Inter-Governmental Debts Agreement¹ signed this day between the Government of the United Kingdom and the Czechoslovak Government;
- (ii) payments by the Czechoslovak Government in accordance with the arrangements or exchange of notes mentioned in Article 9 of the said Inter-Governmental Debts Agreement;
- (iii) payments by the Czechoslovak Government in accordance with the Compensation Agreement² signed this day between the Government of the United Kingdom and the Czechoslovak Government;
- (iv) payments by the Czechoslovak Government in accordance with the conditions governing the Czechoslovak State Loan of 1922;
- (v) payments by the Czechoslovak Government in accordance with the guarantees given by the Czechoslovak Government in respect of the Austrian Government Guaranteed Conversion Loan, 1934-1959;
- (vi) payments by the City of Greater Prague in accordance with the conditions governing the City of Greater Prague 7½% Mortgage Loan of 1922;
- (vii) payments by the Skoda Works in accordance with the conditions governing the 6% First Mortgage Debentures of the Skoda Works secured by the Trust Deed, dated the 30th July, 1930.

¹ See p. 175 of this volume.

² See p. 161 of this volume.

(c) The Czechoslovak Government shall supply to the Government of the United Kingdom details of payments falling within the provisions of paragraph (b) of this Article made in each of the first four years of the present Agreement on 1st September following each of those years.

(d) If the total of the payments falling within the provisions of paragraph (b) of this Article, made within the period mentioned in paragraph (a), shall be less than £15 million, the Czechoslovak Government shall, on or before 30th June, 1954, make, or cause to be made, an additional payment or payments, which, together with the payments already made during that period, shall amount to £15 million.

(e) Such additional payment or payments shall be made in sterling, shall be one or more of the payments mentioned in sub-paragraphs (i) to (vii) of paragraph (b) of this Article and may be either in arrear or in advance of the due date or dates prescribed by the relevant Agreement, guarantee or conditions.

(f) On or before 1st October, 1953, the Czechoslovak Government shall make to the Government of the United Kingdom proposals for such additional payment or payments, if any, which may be required to give effect to the provisions of paragraphs (d) and (e) of this Article.

(g) After the receipt of such proposals by the Government of the United Kingdom, the Committee of Officials mentioned in Article 9 of the present Agreement shall meet and shall consider such proposals.

(h) On 30th June, 1954, the Czechoslovak Government shall supply to the Government of the United Kingdom details of all payments made under this Article in the fifth year of the present Agreement.

Article 9

The contracting Governments undertake to arrange for a Committee of Officials representing the two Governments to meet at such dates as shall be agreed by the contracting Governments, for the purpose of reviewing the progress of trade and payments in relation to the present Agreement, of examining any difficulties which may arise and of suggesting ways of overcoming such difficulties. The Committee of Officials shall be supplementary to the existing channels of communication between the contracting Governments on matters arising out of the present Agreement.

Article 10

The Committee of Officials referred to in Article 9 of this Agreement shall, in any event, meet in the last three months of each year of the present

Agreement for the purpose of agreeing the detailed import and export arrangements which will be required for the purpose of giving effect in the subsequent year to the provisions of Articles 4, 5 and 6 of this Agreement.

Article 11

Nothing in this Agreement shall be deemed to preclude trade in goods not mentioned in the Agreement, or, where a commodity is mentioned, to a quantity or value greater than that stated.

Article 12

(a) The present Agreement shall enter into force on this day's date and shall remain in force until 30th June, 1954.

(b) For the purpose of this Agreement the first year shall terminate on the 30th June, 1950, and each subsequent year of this Agreement shall begin on the 1st July, and shall end on the 30th June, of each year.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

DONE in London in duplicate this 28th day of September, 1949, in the English and Czech languages, both texts being equally authoritative.

[L. S.]

William STRANG

[L. S.]

R. MARGOLIUS

SCHEDULE I

Part I.—Estimate of United Kingdom Essential Requirements for the first year of the Agreement (see Article 1)

Timber—

Sawn softwood	15,000 standards
Sawn hardwood	1,000 standards
Veneers	300,000 sq. metres
Plywood	4,000 cu. metres
Block board	3,000 cu. metres
Miscellaneous raw materials	£230,000
Machinery	£250,000
Imitation and synthetic stones and pearls	£250,000
Miscellaneous industrial goods	£200,000
Sugar	25,000 metric tons
Miscellaneous foodstuffs	£1,900,000
Goods to be imported for re-export	£250,000

Part II.—Estimate of United Kingdom Essential Requirements for each year of the Agreement subsequent to the first year. (See Article 4)

Timber—

Sawn softwood	at least	10,000 standards
Miscellaneous foodstuffs	at least	£750,000
Machinery		£250,000

SCHEDULE II

(See Article 3)

	£
1. Surgical and medical instruments, appliances, &c.	2,000
2. Electro medical apparatus—X-ray tubes and valves and appliances and spare parts	5,000
3. Physical, laboratory and measuring instruments	30,000
4. Pharmaceutical and laboratory raw materials, medical herbs, alkaloids and derivatives	70,000
5. Pharmaceutical products	20,000
6. Artificial silk (1/3 British Cuprammonium)	95,000
7. Cotton yarn	70,000
8. Printing machinery, cylinders, plates and other accessories	15,000
9. Bottling units	25,000
10. (a) Steam raising plant accessories	8,000
(b) Industrial valves	5,000
11. Glass working machinery	15,000
12. Welding machinery	9,000
13. Industrial refrigerators—deep freezers	15,000
14. Contractors' plant: electric conveyors for mines, machinery for building industry and heavy road equipments	120,000
15. Transmission belts (of leather, balata and similar types)	10,000
16. Synthetic resins for lacquer industry	150,000
17. Thermo setting and thermo plastic powder, sheets, emulsions, &c.	50,000
18. Plasticisers for lacquer industry: palatinol, dioctylphthalat, tricresylphosphat, including plasticisers for leather industry	70,000
19. Solvents for lacquer industry including acetone	100,000
20. Polyvinyl compounds	10,000
21. Cellulose derivatives, acetyl cellulose and polythens	60,000
22. Witherite	3,000
23. Triethanolamin	6,000
24. Rubber products, such as high pressure hose, packings, and other technical rubber goods	30,000
25. Asbestos products, brake lining, jointing and packing	30,000
26. Oil seals, safety rings and packings	10,000
27. Technical camphor	12,000
28. Carbon, carbon brushes, carbon electrodes and similar carbon products	25,000
29. Urea	25,000
30. Anti-oxidants and accelerators	170,000
31. Other auxiliary chemicals for rubber processing	2,000
32. Cobalt sulphide	3,000
33. Colours based on metal and non-metal oxides	110,000
34. Rutile	3,000
35. Throistle frames for cotton textile machinery	5,000
36. Chucks for lathes	10,000
37. Telephone and projection bulbs	2,000
38. Aniline dyestuffs and pigments	50,000
39. Timber	37,000
40. Beeswax	1,200
41. Gums	14,000
42. Carobs	1,000
43. Ginger	1,000
44. Pimento	8,000
45. Pyrites	25,000