

No. 1158

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

Agreement relating to the settlement of certain intergovernmental debts. 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 relatif au règlement de certaines créances intergouvernementales. 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. 1158. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC RELATING TO THE SETTLEMENT OF CERTAIN INTERGOVERNMENTAL DEBTS. 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

Desiring to provide for the settlement of certain debts between the two Governments;

Have agreed as follows :—

Article 1

(a) The total indebtedness of the Czechoslovak Government to the Government of the United Kingdom in respect of the advance by the Government of the United Kingdom referred to in Article 1 of the Anglo-Czechoslovak Agreement of 27th January, 1939,² regarding certain sums advanced to the National Bank of Czechoslovakia (hereinafter called "the 1939 Agreement") shall be fixed at the principal sum of £4,460,127.

(b) The interest at the rate of 1% par annum contemplated in Article 3 of the 1939 Agreement shall be deemed to have amounted by 15th January 1954, to £567,388, on which date it shall be regarded as having been added to the above-mentioned principal sum, thereby increasing the latter to £5,027,515.

Article 2

(a) The Czechoslovak Government acknowledge their indebtedness to the Government of the United Kingdom in the principal sum of £13,349,883 in respect of the credits granted by the Government of the United Kingdom to the Czechoslovak Government as follows :—

- (i) by an exchange of letters of 31st July/8th August, 1940,
- (ii) by an Agreement of 10th December, 1940, and arrangements preliminary to that Agreement,

¹ Came into force on 28 September 1949, as from the date of signature, in accordance with article 10.

² League of Nations, *Treaty Series*, Vol. CXCVI, p. 287.

- (iii) by an exchange of letters of 21st/22nd January, 1942,
- (iv) by an exchange of letters of 24th/27th October, 1942.
- (v) by an exchange of letters of 3rd/6th March, 1944, and
- (iv) by an exchange of letters of 18th October/2nd November, 1945.

(b) On 15th January, 1954, the sum of £1,370,000 shall be deemed to have accrued as interest at the rate of 1% per annum with respect to the principal sum of £13,349,883.

(c) On that date the sum of £1,370,000 shall be added to the principal sum of £13,349,883, making a total then due from the Czechoslovak Government to the Government of the United Kingdom in respect of the credits mentioned in paragraph (a) of this Article of £14,719,883.

Article 3

(a) The sums of £5,027,515 and £14,719,883 mentioned in Article 1 and 2 respectively shall be repaid together by the Czechoslovak Government to the Government of the United Kingdom by means of 24 instalments. The amount of these instalments has been calculated so as to include interest at the rate of 1% per annum on the amounts remaining unpaid from time to time.

(b) The first instalment shall be of £428,929 payable on 15th January, 1954. The second instalment shall be of £891,250 17 s. 3d. payable on 15th July, 1954.

(c) The remaining 22 instalments shall be of £891,250 17 s. 3d. each, payable on 15th January and 15th July of each of the years 1955 to 1965 inclusive.

Article 4

(a) Except as provided in this Article, the Government of the United Kingdom undertake not to make any claim for repayment of the sum of approximately £1,700,000 which the Government of the United Kingdom have paid from the Czecho-Slovak Financial Claims Fund established under the Czecho-Slovakia (Financial Claims and Refugees) Act, 1940, in respect of certain obligations mentioned in sub-paragraphs (i), (ii) and (iii) of paragraph (c) of Article 1 of the Czecho-Slovakia (Settlement of Financial Claims) Order, 1940.

(b) The Government of the United Kingdom undertake

(i) to procure that on 19th October, 1949, their nominee shall assign to the Czechoslovak Government all the rights which the said nominee has acquired in respect of the obligations mentioned in paragraph (a) of this Article,

(ii) to deliver on 19th October, 1949, to the Czechoslovak Government such supporting documents as are in their possession, and

(iii) to deliver on 19th October, 1949, to the Czechoslovak Government such coupons in their possession as were received in exchange for payments made from the said Fund in respect of interest on obligations of the Czechoslovak Government in respect of Treasury Bills and Bonds (other than Bonds of the Czechoslovak State Loan of 1922).

(c) In consideration of the undertakings mentioned in paragraphs (a) and (b) of this Article the Czechoslovak Government shall pay to the Government of the United Kingdom the sum of 36,788,524 Czechoslovak Crowns.

(d) This payment shall be made on the 19th October, 1949, by the Czechoslovak Government crediting an account to be opened for this purpose at the Živnostenská Banka národní podnik in Prague in the name of His Majesty's Ambassador in Prague.

(e) The Czechoslovak Government shall not restrict the availability of the funds standing to the credit of that account from time to time for the making of any payments to residents of Czechoslovakia by His Majesty's Ambassador in Prague for the purposes of His Majesty's Embassy or Consular Offices, or of the British Council, in Czechoslovakia.

Article 5

(a) The Czechoslovak Government shall pay to the Government of the United Kingdom a sum of approximately £409,181 in respect of certain debts incurred in 1945 and 1946 by the Czechoslovak Government or by Czechoslovak Institutions towards the Government of the United Kingdom or Control Commission for Germany (British Element) in respect of repairs and services to river craft in Germany, transport charges and the supply of goods.

(b) The sum of £409,181 shall be subject to accounting corrections to be agreed between the contracting Governments.

(c) The payment under this Article shall be made by the Czechoslovak Government in four instalments.

(d) The first three instalments, each of £102,295, shall be paid on 1st October, 1949, 1st January, 1950, and 1st April, 1950.

(e) The fourth instalment shall be paid on 1st July, 1950, and shall be of the sum necessary to make the total payment under this article equal to the sum of £409,181 as corrected in accordance with paragraph (b) of this Article.

Article 6

(a) The Czechoslovak Government shall pay to the Government of the United Kingdom a sum of approximately £23,833 in respect of certain pay-

ments made or to be made by the Government of the United Kingdom to members of former members of the Czechoslovak Armed Forces and their dependants in respect of pensions.

(b) The sum of £23,833 shall be subject to accounting corrections to be agreed between the contracting Governments.

(c) The payment under this Article shall be made by the Czechoslovak Government on 1st September, 1950, and shall be of the sum of £23,833 as corrected in accordance with paragraph (b) of this Article.

Article 7

(a) The Czechoslovak Government shall pay to the Government of the United Kingdom a sum of approximately £89,972 in respect of certain sums in Belgian francs and Netherlands guilders advanced in the years 1944 and 1945 through the Currency Section, Supreme Headquarters, Allied Expeditionary Force, for the purposes of the Czechoslovak Armed Forces.

(b) The sum of £89,972 shall be subject to accounting corrections to be agreed between the contracting Governments.

(c) The payment under this Article shall be made by the Czechoslovak Government on 1st July, 1950, and shall be of the sum of £89,972 as corrected in accordance with paragraph (b) of this Article.

Article 8

(a) The Czechoslovak Government shall pay to the Government of the United Kingdom a sum of approximately £63,683 in respect of the net indebtedness of the Czechoslovak Government towards the Government of the United Kingdom arising from

(i) the provision by the Government of the United Kingdom to the Czechoslovak Independent Armoured Brigade in 1945 of the sum of 26 million Czechoslovak Crowns, and

(ii) the provision by the Czechoslovak Government for the purposes of the Government of the United Kingdom in 1945 of the sum of 485,600 Czechoslovak Crowns.

(b) The sum of £63,683 shall be subject to accounting corrections to be agreed between the contracting Governments.

(c) The payment under this Article shall be made by the Czechoslovak Government on 1st October, 1950, and shall be of the sum of £63,683 as corrected in accordance with paragraph (b) of this Article.

Article 9

The present Agreement does not affect the arrangements made between the contracting Governments in 1945 for the granting of a credit of £5,000,000 by the Government of the United Kingdom to the Czechoslovak Government, or the provisions of the exchange of notes of 14th December, 1946, regarding the purchase of surplus stores by the Czechoslovak Government.

Article 10

The present Agreement shall come into force on this day's date.

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 duplicate in London 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