

No. 1539

YUGOSLAVIA
and
CZECHOSLOVAKIA

Agreement (with annexes) on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries. Signed at Belgrade, on 25 February 1947

Additional Protocols Nos. 1 and 2 (with exchange of letters). Signed at Prague, on 24 May 1948

Official texts: Serbo-Croat and Czech.

Registered by Yugoslavia on 27 November 1951.

YOUGOSLAVIE
et
TCHÉCOSLOVAQUIE

Accord (avec annexes) concernant les livraisons de biens d'équipement tchécoslovaques et les contre-livraisons yougoslaves. Signé à Belgrade, le 25 février 1947

Protocoles additionnels n^{os} 1 et 2 (avec échange de lettres). Signés à Prague, le 24 mai 1948

Textes officiels serbo-croate et tchèque.

Enregistrés par la Yougoslavie le 27 novembre 1951.

[TRANSLATION — TRADUCTION]

No. 1539. AGREEMENT¹ BETWEEN THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE CZECHOSLOVAK REPUBLIC ON CZECHOSLOVAK DELIVERIES OF CAPITAL GOODS AND YUGOSLAV COUNTER-DELIVERIES. SIGNED AT BELGRADE, ON 25 FEBRUARY 1947

The Government of the Federal People's Republic of Yugoslavia and the Government of the Czechoslovak Republic, in pursuance of the agreement confirmed by an exchange of letters between Mr. Nikola Petrović, engineer, and Dr. H. Ripka, Ministers, on 2 October 1946 concerning Czechoslovak deliveries of capital goods for the development of Yugoslav industry to a basic value of 7,500 million Czechoslovak crowns, have agreed as follows :

Article 1

(1) The establishments and organs authorized by the Government of the Federal People's Republic of Yugoslavia shall purchase over a five-year period plant for undertakings, machines and materials in accordance with the annexed list A to a basic value of 7,500 million Czechoslovak crowns.

(2) The Government of the Czechoslovak Republic shall ensure that deliveries are made pursuant to this Agreement and its annexes.

(3) List A referred to in paragraph 1, constituting an integral part of this Agreement, consists of two parts : the first part, A-1, refers to deliveries of plant for undertakings, machines and materials the manufacture of which will be undertaken and in large part completed during 1947 and 1948; the second part, A-2, refers to deliveries of plant for undertakings, machines and materials to be manufactured during 1949, 1950 and 1951.

(4) Final prices and delivery dates shall be determined when the separate final and specific sales contracts are concluded. If the total value of all deliveries for which separate sales contracts are concluded is less than the total basic sum of 7,500 million Czechoslovak crowns, the Federal People's Republic of Yugoslavia shall be entitled to place additional orders on the same terms; if that sum is exceeded, some orders shall be cancelled by agreement between the Parties.

¹ Came into force on 25 February 1947, as from the date of signature, in accordance with article 11.

Article 2

All separate sales contracts under this Agreement shall be concluded in accordance with the "General conditions and directives for the conclusion of separate sales contracts" attached as annex B to this Agreement, of which it constitutes an integral part.

Article 3

(1) The establishments and organs authorized by the Government of the Federal People's Republic of Yugoslavia shall pay for the imports referred to in article 1 by exports of copper, lead, zinc, iron ore, pyrites, lead and chromium concentrates, chromium ore, aluminium, bauxite, asbestos, barite, gypsum, powdered zinc, ferrochrome, ferrosilicon, tannin, timber, fattened pigs, lard, meat, fish in oil, crammed geese and ducks, hides, tobacco, hemp, hemp waste, opium, oil cakes, and other articles essential for Czechoslovak industry, nutrition and general economy, subject to subsequent agreement.

(2) The kinds and quantities of goods for importation into the Czechoslovak Republic during the year 1947-1948 are set forth in list C annexed hereto as a directive list. Yugoslav counter-deliveries to be made against Czechoslovak deliveries under list A-2 shall be determined by a similar list not later than 1 July 1948.

(3) The kinds and amounts of goods scheduled for importation into the Czechoslovak Republic from the Federal People's Republic of Yugoslavia on the basis of Czechoslovak deliveries shall be set down in specific and binding lists each January and July for the corresponding half-year.

(4) The Government of the Federal People's Republic of Yugoslavia guarantees that Czechoslovak exporters shall be given due satisfaction without delay in respect of any claims arising out of the aforesaid sales contracts; and it will further ensure that consignments are exported promptly in order that payment may be made without delay.

If the export of goods in accordance with article 3 is not sufficient to provide payment for Czechoslovak deliveries when due, the Federal People's Republic of Yugoslavia may at the request of the Czechoslovak Republic and by agreement between the two national banks make payments in free foreign exchange.

Article 4

The prices for reciprocal deliveries shall be determined in accordance with the Agreement for the exchange of goods between the Czechoslovak Republic and the Federal People's Republic of Yugoslavia in force when separate specific contracts are concluded.

Article 5

Payments arising from transactions under this Agreement shall be made in accordance with the principles and methods laid down in a special Payments Agreement constituting an integral part of this Agreement and attached hereto as annexes D and E.

Article 6

The separate sales contracts referred to in articles 1 and 3 shall be concluded by the Czechoslovak and Yugoslav establishments and organs designated by the competent ministries of the two States.

Article 7

Deliveries under the General Agreement and Protocol signed on 16 August 1946 between the Central Electricity Board of Yugoslavia and the Czechoslovak Metalworking and Machine Industries concerning the delivery of thermal and hydroelectric power plants and the winding up of old transactions relating to electric power shall be included, subject to later modification, in list A. The previous General Agreement and Protocol of 16 August 1946 are hereby rescinded.

Article 8

The Government of the Czechoslovak Republic and the Government of the Federal People's Republic of Yugoslavia shall within fifteen days from the signature of this Agreement appoint special commissions consisting of three to five members, with headquarters at Prague, to supervise the implementation and fulfilment of this Agreement.

Article 9

(1) List A annexes B, C, D, and E shall form part of this Agreement.

(2) Any annexes subsequently based on this Agreement shall also comprise an integral part hereof.

(3) The conditions established by the exchange of letters of 2 October 1946 between Mr. N. Petrović, engineer, and Dr. H. Ripka, Ministers, shall remain in force unless otherwise provided herein.

Article 10

If either of the contracting Parties is unable to discharge obligations arising out of this Agreement, negotiations shall be held with a view to necessary revision.

Article 11

(1) This Agreement is done in duplicate in Serbo-Croat and Czech, both texts being equally authentic.

(2) This Agreement shall enter into force on the date of its signature and shall continue in force until complete discharge of the reciprocal obligations arising out of it and out of the contracts concluded under it, unless otherwise agreed by the two Governments.

Belgrade, 25 February 1947.

For the Government
of the Federal People's
Republic of Yugoslavia :
(Signed) Vojislav SRZENTIC

For the Government
of the Czechoslovak Republic :
(Signed) Evžen LEBL

ANNEX A

PROTOCOL

of the proceedings of the Commissions of the Federal People's Republic of Yugoslavia and the Czechoslovak Republic established in accordance with article 4 of the letters exchanged between Mr. N. Petrović, engineer, and Dr. H. Ripka, Ministers, on 2 October 1946 concerning Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries of a total value of 7,500 million Czechoslovak crowns, drawn up at the plenary meeting held at the Ministry of Foreign Trade in Prague on 22 January 1947

The Commissions have adopted and approved the attached List A, consisting of a first part A-1 and a second part A-2, in accordance with article I of the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries.

List A (A-1 and A-2) has been drawn up by agreement between the Yugoslav Commission and the Central Administration of the nationalized industries, that is to

say the metallurgical, smelting, chemical, ceramic, leather and rubber, and glass industries, in accordance with the terms of the Agreement and of all the annexes thereto.

The total value of the deliveries, according to the prices listed by way of information in the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries, is distributed among the various branches of industry as follows :

	<i>Czechoslovak crowns</i>
Metallurgy and machinery	6,772,608,000
Smelting	285,607,000
Chemical	22,000,000
Ceramic	372,255,000
Leather and rubber	10,000,000
Glass	854,000
	<hr/>
TOTAL	7,463,324,000

The unused portion of the total basic value of 7,500 Czechoslovak crowns shall be utilized for rubber and leather deliveries according to specifications to be drawn up within three or four weeks on the basis of the letter of the Central Administration of the Leather and Rubber Industry.

List C of Yugoslav counter-deliveries referred to in article 3 of the Agreement shall be drawn up by the Commission in Belgrade.

All previously-pending questions referred to in the Protocol of 1 January 1947 have been settled by agreement and the final text of the Agreement and all the annexes thereto has been drawn up.

This Protocol is done in duplicate in Serbo-Croat and Czech.

Belgrade, 25 February 1947.

For the Government
of the Federal People's
Republic of Yugoslavia :
(Signed) Vojislav SRZENTIC

For the Government
of the Czechoslovak Republic :
(Signed) Evžen LEBL

ANNEX B

GENERAL PRINCIPLES AND CONDITIONS FOR THE CONCLUSION OF SEPARATE SALES CONTRACTS UNDER THE AGREEMENT ON CZECHOSLOVAK DELIVERIES OF CAPITAL GOODS AND YUGOSLAV COUNTER-DELIVERIES

Article 1

Pursuant to article 6 of the aforesaid Agreement, the central administrations or establishments authorized for this purpose by the Ministry of Foreign Trade of the People's Republic of Yugoslavia of the one part and the central administrations of the Czechoslovak nationalized industries or establishments authorized for this purpose by the Ministry of Foreign Trade of the Czechoslovak Republic of the other part shall

conclude and execute separate sales contracts. Each contract shall contain the rules and conditions set forth in the text of this annex, as follows :

Article 2

(1) The technical specifications for deliveries to be made by Czechoslovak industrial undertakings over the five-year period until the end of 1951 are contained in annex A of the Agreement, where in the case of complete plants the basic capacity has been indicated, and in the case of separate installations, machines, and technical and other materials rough specifications have been given.

(2) Annex A-1 of the Agreement refers to deliveries of goods the manufacture of which is to be undertaken and largely completed in 1947 and 1948; provided that separate sales contracts containing adequate technical specifications shall be concluded not later than 1 June 1947. The completion time-limits set out in list A-1 represent maximum periods, whereas binding delivery dates shall be fixed in each separate sales contract.

(3) The definitive list of plant for undertakings and machines (list A-2 of the Agreement) which the Czechoslovak industry will begin to manufacture in 1949-1951 shall be annexed to the Agreement not later than 1 July 1947. This list shall be drawn up by agreement between the representatives of the two Contracting Parties, who shall meet at Prague not later than 1 May 1947. Separate sales contracts under definitive list A-2 shall be concluded not later than 1 July 1948.

Article 3

Separate sales contracts shall contain :

(1) (a) *An accurate technical description* of the consignment, retaining in general the basic technical data provided in lists A-1 and A-2. Particular technical data in lists A-1 and A-2 may be varied by agreement during the process of manufacture in very exceptional cases where the variation will improve the technical quality of the product or ensure that it shall be better adapted to the conditions of its use; and the delivery dates and prices shall then be adjusted accordingly.

(b) The vendor's undertaking to deliver spare parts at the purchaser's request and for the purchaser's account.

(2) *Provisions on prices*

(a) Prices shall be fixed in Czechoslovak crowns and shall include packing, painting and transport insurance free at the Czechoslovak frontier or f.o.b. a Czechoslovak Danube port, and also interest and the costs incurred by the Czechoslovak national undertaking in obtaining a bank credit, but no other transport costs, or Yugoslav duties or charges, or other expenses. Delivery of machines and installations which require assemblage shall include undercoat painting only, but all other machines and installations shall have the usual complete finish.

The place of fulfilment of the contract is the producer's factory. Risk as far as the Czechoslovak frontier or Czechoslovak Danube port shall be borne by the vendor in accordance with the provisions on prices in the preceding paragraph.

(b) Assemblage costs and expenses of acceptance of goods for quality and quantity, dispatch of experts, preparing construction plans for factories, licences, copyrights and any other expenses shall be determined and charged separately.

(c) Prices shall be determined in accordance with the agreement between the Czechoslovak Republic and the Federal People's Republic of Yugoslavia on exchange of goods in force at the time of conclusion of the separate specific sales contracts. Where capital goods require a production period exceeding one year, the price clause shall be applied as follows: if during purchase of materials or manufacture the prices of materials or wages increase by more than five per cent over the levels in effect on the date of conclusion of separate contracts, the price established at the time of conclusion of the contract shall be varied proportionately. Such variation of delivery prices shall refer only to those portions of deliveries which will be affected by the change in the price of materials and wages. Detailed conditions shall be set down in each contract.

(3) Provisions on delivery dates

(a) Delivery dates shall relate to delivery ex-works; delivery shall be deemed to be made on the date of advice that goods are ready for shipment or acceptance.

(b) Delivery dates for plant for undertakings and machines to be assembled by the vendor shall also relate to delivery ex-works, but separate delivery dates shall be fixed for substantial partial deliveries.

(c) The vendor shall undertake, if goods are destroyed or so damaged in transit that they cannot be assembled, to prepare similar materials for the purchaser within a time-limit to be agreed upon, and shall endeavour to deliver as early as possible.

(d) *Force majeure* shall constitute ground for a corresponding postponement of the delivery date.

(e) Each separate contract for delivery of plant for undertakings and of machines shall provide for penalties for failure to observe delivery dates, in the amount of 1 per cent for each full month in default of delivery ex-works but not exceeding a total of 4 per cent. On payment of the penalty or rescission of the contract the purchaser shall not be entitled to damages for failure to observe delivery term except in cases which by agreement of the Ministers of Foreign Trade are subject to arbitration.

If the vendor exceeds the contracted delivery term by more than 60 per cent or a maximum period of eighteen months, the purchaser may rescind the contract.

(4) *Provisions on assemblage*

(a) Each contract shall contain a separate clause concerning assemblage.

(b) The vendor shall send for the assemblage of plant his expert directing teams and the necessary number of assemblers, the cost whereof shall be determined in accordance with specially-agreed terms and conditions. The vendor shall supply any special equipment required for assemblage.

(c) The vendor shall employ on the assemblage the necessary number of the purchaser's experts and operatives, who shall be instructed and trained in operation and repairs during the assemblage.

(d) The purchaser shall appoint his own teams of inspectors to supervise the assemblage, and shall complete in due time the necessary construction and other work, transport the delivered material to the place of assemblage, and provide wholly at his own expense, at the request of the person directing the assemblage, the necessary number of assistant operatives and craftsmen, power, scaffolding, etc. The efficient progress of assemblage and the observance of the contracted time will depend on the fulfilment of these conditions. The time shall be calculated from the date on which the material reaches the construction site. If the purchaser so desires he may assign his experts for training purposes at his own expense.

(e) The Contracting Parties shall agree in sales contracts relating to plant and machinery that the purchaser shall be furnished with all instructions necessary for the operation of machines and installations.

(f) The expenses of the assemblage shall be paid in dinars during the assemblage by the purchaser to the vendor or the person directing the assemblage.

(5) *Provisions on acceptance and tests*

1. (a) An inspection for quality and quantity shall, at the request and at the expense of the purchaser, be carried out at the factory of the vendor on plant, machinery and technical and other material. Where necessary, the inspection may be carried out during manufacture, in which case a provision to that effect shall be included in the sales contract.

Technical warranties shall be incorporated in sales contracts.

(b) Each contract shall determine whether assemblage is to be carried out entirely by the vendor, partly by the vendor and partly by the purchaser, or entirely by the purchaser. Responsibility for the assemblage shall be determined accordingly.

2. The purchaser shall appoint for the period of assemblage his own teams of inspectors, who, together with the vendor's representative at the assemblage, shall sign a daily log book of work accomplished. The purchaser shall also furnish the vendor with the consumer goods required for the assemblage.

3. On completion of the assemblage the vendor shall call upon the purchaser to inspect the plant through a commission, and the date on which the plant shall be put into operation shall be determined by agreement. A commission composed of representatives of the purchaser and of the vendor shall be set up to observe the trial operation.

4. After a plant has been assembled and put into operation, its operation must comply with the conditions set forth in the order or with general technical usage. Each

sales contract shall provide for appropriate penalties for breach of warranted technical conditions.

5. At the request and at the expense of a purchaser who is himself assembling machinery, apparatus or installation the vendor shall furnish him with the necessary assemblage instructions and plans and, as far as possible, supply his own experts to assist in the assemblage.

(6) Provisions on technical warranties

The seller shall warrant the construction and materials of a consignment for six months, and electrical products and complete plants for one year, reckoned from the date of delivery of each particular machine and apparatus where assemblage is not included, and from the date of acceptance of assembled plant. The vendor shall undertake by his warranty to make good at his own expense any defects due to his default which are notified to him immediately upon their discovery and can be proved due to defective material, faulty construction or manufacture and the purchaser has complied with the conditions of payment. The vendor shall assume no other liability, especially for damage or loss of profits owing to partial or complete stoppage of work at the purchaser's factory. The technical warranty shall expire if the purchaser alters or repairs delivered materials without previous agreement with the vendor.

(7) Provisions on copyright

Except where a particular contract contains special provision for the acquisition of copyright, a licence to manufacture or a similar right, the purchaser shall not acquire the copyright of estimates, schemes, drawings or the like either by placing an order or by paying the price therefor. They may not be used nor may their contents be disclosed to a third person without the express written authority of the vendor.

Article 4

In order to achieve the highest possible standardization of plants in the Federal People's Republic of Yugoslavia, Czechoslovak undertakings shall, if a large number of similar plants are ordered (as for electrification), deliver within the limits of their productive capacity single machines of the same type.

Article 5

1. In connexion with deliveries to be made under the Agreement, Czechoslovak undertakings shall where possible send at the request of the purchaser their technical experts to Yugoslavia to serve as technical advisers. The expenses of such experts shall be borne by the purchaser at previously agreed rates.

2. Czechoslovak undertakings shall at the request of the purchaser enable the purchaser's experts to co-operate, according to agreement between the parties and with the approval of the Czechoslovak authorities, in planning specific plants to be delivered.

Article 6

When concluding a sales contract the parties shall agree on the components and parts of the plant which can be manufactured by Yugoslav industry. The Czechoslovak enterprise shall undertake to provide at the purchaser's expense the necessary designs and instructions for such manufacture.

Article 7

Terms of payment

(1) Where separate plants and consignments of machinery and of technical and other materials are not assembled by the vendor, 100 per cent of the stipulated price for the order shall be paid by letter of credit on Special Account B at the Czechoslovak National Bank against bills of lading.

(2) Where machinery is assembled by the vendor, 75 per cent of the stipulated price shall be paid by letter of credit drawn on Special Account B at the Czechoslovak National Bank against bills of lading and 25 per cent in the same manner within six months from the date on which the first payment fell due.

(3) In both cases payment shall be made for partial deliveries.

(4) The portion of the assemblage and other costs payable in foreign exchange shall be paid not later than thirty days after the completion of the assemblage. If through no fault of the vendor assemblage is not completed by the prescribed date, the portion of the assemblage costs payable in foreign exchange shall fall due thirty days after the date originally prescribed for the completion of the installation.

Where acceptance is to take place at the vendor's factory and the purchaser does not proceed to acceptance within thirty days after notification by the vendor that the goods are ready for delivery, the goods shall be deemed to have been accepted.

If the purchaser fails to issue shipping instructions, or if the goods cannot be forwarded because of *force majeure* or of lack of sufficient funds in Account B, payment shall fall due fourteen days from the date of acceptance or, where acceptance of the goods is not prescribed, fourteen days after notification that they are ready for shipment. In such cases the goods shall be warehoused at the purchaser's risk and expense, and he shall be obliged to pay demurrage at 6 per cent yearly on the amount due. After the expiry of nine months from the date on which payment fell due, the vendor may rescind the contract and sue for damages.

Article 8

Arbitration tribunal

(1) Disputes arising between the Contracting Parties over the interpretation of sales contracts or the implementation of any obligations arising therefrom shall, if the parties cannot agree, fall within the exclusive jurisdiction of the arbitration tribunal.

(2) A party submitting a dispute to the arbitration tribunal shall give notice thereof to the other party by a registered letter stating the subject matter of the dispute and the name and address of the member whom it nominates. The defendant party shall communicate the name and address of the member whom it nominates to the plaintiff within fourteen days after receiving notice from the plaintiff. If the defendant party fails to nominate a member within that time, the member shall be appointed within a further fourteen days, at the request of the plaintiff party, by the Minister of Foreign Trade of the State of the defendant.

(3) The members of the tribunal thus appointed shall within a further fourteen days agree upon a chairman of the tribunal. If the members appointed by the two parties fail to agree on a chairman for the tribunal, or if the person whom they name declines to sit, the chairman shall be appointed by agreement between the ministers of foreign trade of the two countries.

(4) The arbitration tribunal shall meet within four weeks from the day on which its chairman consents to sit.

(5) Decisions of the tribunal shall be made by a majority of votes. Its awards shall be issued in writing, signed by all the members of the tribunal and delivered to both parties. An award shall be valid even if one member of the tribunal fails to sign it.

(6) An award of the tribunal shall not be subject to appeal and both parties shall comply with it unconditionally.

(7) The tribunal shall ordinarily direct its costs, including the fees of its members, to be paid by the losing party or shared by the two parties in proportion to their relative success in the cause.

(8) The tribunal may require the plaintiff party to deposit an appropriate sum on account of the tribunal's costs.

Article 9

The foregoing principles and conditions have been done in Serbo-Croat and Czech, both texts being equally authentic.

Belgrade, 25 February 1947.

For the Government
of the Federal People's
Republic of Yugoslavia :
(*Signed*) Vojislav SRZENTIC

For the Government
of the Czechoslovak Republic :
(*Signed*) Evžen LEBL

ANNEX C
P R O T O C O L

of negotiations between the delegations of the Government of the Czechoslovak Republic and the Government of the Federal People's Republic of Yugoslavia held from 28 January to 19 February 1927 in Belgrade for the purpose of establishing List C and List C-1 pursuant to article 3, items 2 and 3 of the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries and the Protocol of the proceedings of the commissions of the Federal People's Republic of Yugoslavia and the Czechoslovak Republic appointed under article 4 of the letters exchanged between Mr. Nikola Petrović, engineer, and Dr. H. Ripka, Ministers, on 2 October 1926 concerning Czechoslovak deliveries and Yugoslav counter-deliveries to a total value of 7,500 million Czechoslovak crowns, done at the plenary meeting held in Prague at the Ministry of Foreign Trade on 22 January 1947

I

The delegations have adopted and approved the attached Lists C and C-1 drawn up in accordance with article 3, items 2 and 3, of the aforesaid Agreement and Protocol.

II

In establishing the aforesaid lists the delegations have agreed as follows :

List C

(1) The total value of products under the heading " Foodstuffs " to be exported from the Federal People's Republic of Yugoslavia to the Czechoslovak Republic during the year 1947-1948 is equal to the total value of the group " Mining and smelting products " to be exported on the same basis during the same period.

(2) If zinc production is resumed in Czechoslovakia during the period of validity of list C, the quantity of zinc concentrates to be agreed upon between the two Governments shall be subsequently included as an integral part of this list.

(3) Out of the agreed total quantity of tobacco, 2,000 tons shall be delivered in the second half of 1948.

List C-1

(1) Notwithstanding the provisions of article 3, item 3, of the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries, the categories and quantities of goods to be exported to the Czechoslovak Republic during the whole of 1947 have been set forth in list C-1; quantities of wheat, maize, pulses, soya beans,

pork, unfattened slaughtered pigs, lard, and fattened live and slaughtered pigs shall be determined by the Mixed Commission in August 1947, since the quantities are contingent upon the forthcoming crop.

The value of the foodstuffs to be agreed upon for delivery from the Federal People's Republic of Yugoslavia to the Czechoslovak Republic during 1947 may exceed that laid down in list C, item 1.

(2) The Government of the Federal People's Republic of Yugoslavia and the Government of the Czechoslovak Republic shall designate, and notify to each other in the shortest possible time through their Ministries of Foreign Trade, the undertakings authorized to conclude sales contracts for the goods and quantities set forth in list C-1.

In order to enable the Government of the Federal People's Republic of Yugoslavia to fulfil its obligations under article 3, paragraph 4, of the said agreement, the Government of the Czechoslovak Republic undertakes to do everything necessary to ensure that the aforesaid authorized undertakings may conclude without delay the sales contracts relating to all goods and quantities set forth in list C-1.

(3) The Government of the Federal People's Republic of Yugoslavia shall endeavour to the extent of its ability to deliver 2 tons of opium to the Czechoslovak Republic during 1947.

III

Both delegations having agreed upon the foregoing, the delegation of the Czechoslovak Republic made the following proposals :

(1) That 120,000 tons out of the total quantity of pyrites stipulated in list C shall be charged to list B of the Agreement on exchange of goods of 30 September 1946.

(2) That 70,000 tons out of the total quantity of iron ore stipulated in list C should be charged to list B of the Agreement on exchange of goods of 30 September 1946.

(3) That the proportion of chestnut tannin to oak tannin should be 3 : 1. The delegation of the Czechoslovak Republic agrees that for 1947 the proportion of chestnut tannin to oak tannin shall be 2 : 1.

The delegation of the Federal People's Republic of Yugoslavia made the following statement with reference to the foregoing proposals :

(1) With reference to the proposals made by the delegation of the Government of the Czechoslovak Republic, under III, items 1 and 2, the Yugoslav delegation considers that these matters should be discussed at the meeting to be held to discuss the application of the Agreement on exchange of goods of 30 September 1946.

(2) With reference to the proposal under III, item 3, the Government of the Federal People's Republic of Yugoslavia will endeavour to meet the wishes of the Czechoslovak

Government in 1948 as far as the production facilities of the tanning industry in the Federal People's Republic of Yugoslavia permit.

This Protocol constitutes an integral part of the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries.

This Protocol is done in duplicate in Serbo-Croat and Czech.

Belgrade, 25 February 1947.

For the Government
of the Federal People's
Republic of Yugoslavia :
(Signed) VOJISLAV SRZENTIĆ

For the Government
of the Czechoslovak Republic :
(Signed) EVŽEN LEBL

LIST C

Mining and smelting products:

Refined lead	9,000 tons
Lead concentrates	6,000 tons
Blister copper	4,000 tons
Crude zinc	1,000 tons
Powdered zinc	300 tons
Iron ore, limonite, siderite	190,000 tons
Pyrites	250,000 tons
Ferrochrome	900 tons
Ferrosilicon	900 tons
Bismuth	20 tons
Antimony	900 tons
Aluminium	400 tons
Barite	6,000 tons
Gypsum (crude, alabaster, stucco-work and modelling gypsum)	20,000 tons
Chrome ore : Ia, 50 % ; IIa, 50 %	10,000 tons
Chrome concentrate	7,000 tons
Mercury	100 tons

Timber:

Oak logs for veneer	1,800 m ³
Oak boards	7,000 m ³
Poplar logs for veneer	6,500 m ³
Maple logs for veneer	750 m ³
Cherry logs for veneer	200 m ³
Walnut logs for veneer	500 tons
Ash-tree logs for veneer	250 m ³
Elm logs for veneer	250 m ³
American walnut logs	1,000 m ³
Beech rafters	6,000 m ³
Walnut logs for industrial purposes	1,000 m ³

Industrial plants:

Hemp	1,500 tons
Tow	2,500 tons
Opium	6.5 tons
Tobacco	5,000 tons

Skins and tanning:

Kidskins	75,000 pieces
Lambskins	300,000 pieces
Sheepskins, raw	60,000 pieces
Goatskins	60,000 pieces
Wild pelts :	
Marten	} in the proportion of 2 : 5 : 1
Polecat	
Badger	
Total value	7,000,000 dinars
Fox skins, raw	3,000,000 dinars
Pigskins, dressed	800,000 feet
Nappa leather	550,000 feet
Tannin	5,000 tons

Foodstuffs:

Wheat
Maize
Pulses
Soya beans
Pork, unfattened slaughtered pigs
Lard
Fattened pigs, live and slaughtered
Tinned fish in oil
Crammed geese and ducks, slaughtered
Fresh eggs
Oil cakes

LIST C-1

Mining and smelting products:

Refined lead	3,000 tons
Blister copper	1,000 tons
Crude zinc	300 tons
Powdered zinc	100 tons
Iron ore, limonite, siderite	80,000 tons
Pyrites	100,000 tons
Ferrochrome	200 tons
Ferrosilicon	100 tons
Bismuth	5 tons
Antimony	100 tons
Aluminium	400 tons
Barite	4,000 tons
Gypsum (crude, alabaster, stucco-work and modelling gypsum)	10,000 tons
Chrome ore : Ia, 50 % ; IIa, 50 %	10,000 tons
Chrome concentrates	7,000 tons
Mercury	50 tons

Timber:

Oak boards	2,000 m ³
Oak logs for veneer	800 m ³
Poplar logs for veneer	3,000 m ³
Maple logs for veneer	250 m ³
Cherry logs for veneer	100 m ³
Ash logs for veneer	100 m ³
Elm logs for veneer	150 m ³
American walnut logs	500 m ³
Beech rafters	2,000 m ³
Walnut logs for industrial purposes	500 m ³

Industrial plants:

Hemp	300 tons
Tow	1,250 tons
Opium	1.5 tons
Tobacco	1,500 tons

Skins and tannin:

Kidskins	250,000 pieces
Lambskins	100,000 pieces
Sheepskins, raw	20,000 pieces
Goatskins	20,000 pieces
Wild pelts :	
Marten	} in the proportion of 2 : 5 : 1 Total value
Polecat	
Badger	
Pigskins, dressed	300,000 feet
Nappa leather	150,000 feet
Tannin (chestnut, 1,000; oak, 2,000)	3,000 tons

Foodstuffs:

Tinned fish in oil	500 tons
Crammed geese and ducks	200 tons
Fresh eggs	500 tons
Wheat	
Maize	
Pulses	
Soya beans	
Pork, slaughtered unfattened pigs	
Lard	
Fattened pigs, live and slaughtered	

ANNEX D

A G R E E M E N T

between the Czechoslovak Republic and the Federal People's Republic of Yugoslavia, on payment for goods delivered under the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries

The Government of the Czechoslovak Republic and the Government of the Federal People's Republic of Yugoslavia have agreed as follows :

Article 1

The Czechoslovak National Bank shall open for the National Bank of the Federal People's Republic of Yugoslavia an account in Czechoslovak crowns to be called "Commodity Account B".

Payments in Czechoslovakia for goods exported from Yugoslavia under the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries, and payments for expenses relating thereto, shall be credited to this account.

Article 2

Payments for Czechoslovak goods exported to Yugoslavia under the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries, and for expenses relating thereto, shall be debited to the account referred to in article 1.

Article 3

The Government of the Federal People's Republic of Yugoslavia undertakes that the export of goods to the Czechoslovak Republic under the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries shall be so regulated as at all times to provide available funds in Commodity Account B for the payment of obligations due.

Article 4

Any credit balance standing in Commodity Account B on the expiry of this Agreement shall be used as may be agreed between the two Contracting Parties.

If, on the expiry of this Agreement, Commodity Account B contains no balance for the payment of Czechoslovak claims, such funds shall be created by the export within a period not exceeding three months of goods to be agreed upon.

Article 5

The two national banks shall by agreement determine the practical procedure necessary for the proper application of this Agreement.

Article 6

Payments into and from the account referred to in article 1 shall conform to the currency regulations of the country concerned.

Article 7

This Agreement shall come into force on the date of its signature and shall remain in force throughout the period of validity of the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries, of which it constitutes an integral part.

This Agreement is done in duplicate in Serbo-Croat and Czech.

DONE at Belgrade, 25 February 1947.

For the Government
of the Federal People's
Republic of Yugoslavia :
(Signed) Vojislav SRZENTIC

For the Government
of the Czechoslovak Republic :
(Signed) Evžen LEBL

ANNEX E

P R O T O C O L

ON THE FINANCING OF LONG-TERM DELIVERIES OF CAPITAL GOODS TO YUGOSLAVIA

For the purpose of facilitating long-term deliveries of capital goods from the Czechoslovak Republic to the Federal People's Republic of Yugoslavia, the two Contracting Parties have agreed as follows :

Article 1

The Živnostenská (Commercial) Bank, in agreement with the Ministry of Finance and the Czechoslovak National Bank, shall grant to Czechoslovak vendors advances required for the production of goods to be delivered under the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries, in amounts not exceeding 30 per cent of the value of goods to be delivered under separate sales contracts. The Živnostenská Bank shall charge interest on such advances at the rate of one-half per cent over the current discount rate of the Czechoslovak National Bank in addition to actual expenses and fees. Interest shall be reckoned in arrears. If necessary, advances may be granted in the form of bills of exchange. Interest shall be paid by the domestic debtor firm, which shall include the amount thereof together with actual expenses in the manufacturing cost of the goods. In this connexion care shall be taken to ensure that the conditions set forth in this Protocol are fulfilled.

Article 2

The Minister of Finance of the Czechoslovak Republic, in agreement with the ministers concerned, shall guarantee under Act No. 121 (31 Sb. within the meaning of Act No. 70/1935 Sb. Z. an., Statutes and Regulations) the credits to be granted by the Živnostenská Bank to domestic factories for the production of goods for delivery to Yugoslavia under the Agreement concerning Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries. Under that guarantee the Ministry of Finance of the Czechoslovak Republic shall refund to the Živnostenská Bank advances granted under the terms of this Protocol and not repaid by the debtor. The Ministry of Finance shall charge no commission on that guarantee.

Article 3

The Minister of Finance of the Czechoslovak Republic agrees that cash funds in Commodity Account B may, where not required for meeting obligations due, be invested temporarily in Czechoslovak treasury bonds bearing an interest of one per cent below the discount rate of the Czechoslovak National Bank.

Such bonds may be sold at any time at the request of the Yugoslav National Bank and the proceeds paid back into Commodity Account B. The interest on them shall be reckoned *pro rata temporis* in arrears.

Treasury bonds shall be purchased and sold by the Czechoslovak National Bank on the order of the National Bank of the Federal People's Republic of Yugoslavia. Interest on treasury bonds shall be credited to Commodity Account B.

Article 4

This Protocol constitutes an integral part of the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries, and is done in duplicate in Serbo-Croat and Czech.

Belgrade, 25 February 1947.

For the Government
of the Federal People's
Republic of Yugoslavia :
(Signed) Vojislav SRZENTIĆ

For the Government
of the Czechoslovak Republic :
(Signed) Evžen LEBL

ADDITIONAL PROTOCOL No. 1¹ TO THE PROTOCOL SIGNED BETWEEN THE DELEGATIONS OF THE GOVERNMENT OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC ON 25 FEBRUARY 1947² (ANNEX C TO THE AGREEMENT ON CZECHOSLOVAK DELIVERIES OF CAPITAL GOODS AND YUGOSLAV COUNTER-DELIVERIES). SIGNED AT PRAGUE, ON 24 MAY 1948

Article 1

Pursuant to the provisions of the Protocol of 25 February 1947² (annex C, article II, heading list C-1, paragraph 1) the delegations of the Government of the Federal People's Republic of Yugoslavia and of the Government of the Czechoslovak Republic have agreed that the following shall be exported from the Federal People's Republic of Yugoslavia to the Czechoslovak Republic under list C-1 :

10,000 tons of wheat,
15,000 tons of maize.

Article 2

This Additional Protocol constitutes an integral part of the Protocol of the negotiations between the Government of the Federal People's Republic of Yugoslavia and the Government of the Czechoslovak Republic dated 25 February 1947 (annex C).²

DONE in Prague, 24 May 1948, in duplicate in Serbo-Croat and Czech, both texts being equally authentic.

For the Government
of the Federal People's
Republic of Yugoslavia :
(Signed) Vojin GUZINA

For the Government
of the Czechoslovak Republic :
(Signed) Evžen LEBL
(Signed) PLEVA

¹ Came into force on 24 May 1948, by signature.

² See p. 44 of this volume.

ADDITIONAL PROTOCOL No. 2¹ CONCERNING NEGOTIATIONS BETWEEN THE DELEGATIONS OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC CONDUCTED IN PRAGUE IN ACCORDANCE WITH ARTICLE 3, PARAGRAPH 3, OF THE AGREEMENT ON CZECHOSLOVAK DELIVERIES OF CAPITAL GOODS AND YUGOSLAV COUNTER-DELIVERIES SIGNED ON 25 FEBRUARY 1947.² SIGNED AT PRAGUE, ON 24 MAY 1948

I

In order to create the necessary funds in account B at the Czechoslovak National Bank to pay for Czechoslovak deliveries of capital goods to the Federal People's Republic of Yugoslavia during 1948, the delegations of the Governments of the Federal People's Republic of Yugoslavia and the Czechoslovak Republic have by agreement drawn up list C-2 for 1948, which constitutes an integral part of this Protocol.

II

The provisions of the Protocol of 25 February 1947² (annex C of the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries) relating to the conclusion of contracts shall be applied to the products and quantities set forth in list C-2.

III

This Protocol constitutes an integral part of the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries.

IV

This Protocol is done in duplicate in Serbo-Croat and Czech, both texts being equally authentic.

DONE at Prague, 24 May 1948.

For the Government
of the Federal People's
Republic of Yugoslavia :
(Signed) Vojin GUZINA

For the Government
of the Czechoslovak Republic :
(Signed) Evžen LEBL
(Signed) PLEVA

¹ Came into force on 24 May 1948, by signature.

² See p. 46 of this volume.

LIST C-2

OF YUGOSLAV COUNTER-DELIVERIES TO COVER CZECHOSLOVAK DELIVERIES OF CAPITAL GOODS
IN 1948*In 1,000 dinars*

1. Lead	2,000 tons	—
2. Lead concentrates	2,500 tons	—
3. Copper	1,000 tons	—
4. Crude zinc	200 tons	—
5. Powdered zinc	80 tons	—
6. Iron ore	40,000 tons	—
7. Pyrites	60,000 tons	—
8. Ferrochrome	300 tons	—
9. Bismuth	5 tons	—
10. Antimony	100 tons	—
11. Barite, solid	700 tons	—
12. Baked gypsum	3,600 tons	—
13. Mercury	25 tons	—
14. Oak logs for veneer	750 m ³	—
15. Poplar and willow logs for veneer	2,000 m ³	—
16. Maple logs for veneer	200 m ³	—
17. Ash logs for veneer	100 m ³	—
18. Walnut logs for veneer	200 tons	—
19. Walnut logs for industrial purposes	300 m ³	—
20. Beech boards	1,000 m ³	—
21. Oak boards	600 m ³	—
22. Cherry logs for veneer	80 m ³	—
23. Elm logs for veneer	100 m ³	—
24. Hemp and tow (1 : 1)	1,000 tons	—
25. Opium	1.5 tons	—
26. Tobacco	1,250 tons	—
27. Kidskins	50,000 pieces	—
28. Lambskins	50,000 pieces	—
29. Sheepskins	11,000 pieces	—
30. Goatskins	12,250 pieces	—
31. Pigskins, fancy	200,000 feet	—
32. Fox pelts	—	550
33. Nappa leather for gloves	120,000 feet	—
34. Game skins (marten, polecat, badger, 2 : 5 : 1)	—	1,650
35. Tannin	700 tons	—
36. Pork	500 tons	—
37. Lard	100 tons	—
38. Fresh poultry	200 tons	—
39. Eggs	300 tons	—
40. Tinned fish in oil	200 tons	—
41. Maize	5,000 tons	—
42. Wheat	—	30,000*
43. Soya beans	2,000 tons	—
44. Oil cakes	1,000 tons	—
45. Pulses	300 tons	—

* If Yugoslavia is unable to deliver wheat, it shall deliver equivalent quantities of maize.

EXCHANGE OF LETTERS

I

Prague, 24 May 1948

Sir :

During the negotiations conducted in Belgrade in November and December 1947 concerning the Yugoslav counter-deliveries for Czechoslovak deliveries of capital goods during 1948, it was stated that Czechoslovakia shall deliver during 1948 a substantially smaller quantity of the plant, machinery and materials provided for in article 1, item 3, of the Agreement on Czechoslovak deliveries of capital goods and Yugoslav counter-deliveries. For this reason Yugoslav counter-deliveries could not be made in 1947 and 1948 according to directive list C.

Since most of the plant, machinery and materials provided for in list A-1 will be delivered during 1949, I have the honour to inform you that the Government of the Federal People's Republic of Yugoslavia agrees in principle that list C, as a directive list, shall be extended to apply also in 1949.

I have the honour to be, etc.

(Signed) Vojin N. GUZINA
Head of the Trade Delegation
of the Federal People's Republic of Yugoslavia

Evžen Lebl
Deputy Minister of Foreign Trade
Head of the Czechoslovak Trade Delegation
Prague

II

HEAD OF THE CZECHOSLOVAK TRADE DELEGATION

Prague, 24 May 1948

Sir,

I have the honour to acknowledge receipt of your letter of today's date reading as follows :

[See letter I]

I have the honour to be, etc.

(Signed) Evžen LEBL

Vojin Guzina
Deputy Minister of Foreign Trade
Head of the Yugoslav Trade Delegation
Prague