

No. 1542

YUGOSLAVIA
and
CZECHOSLOVAKIA

**Trade Agreement (with exchange of letters). Signed at
Prague, on 24 May 1948**

**Commercial Payments Agreement (with exchange of letters).
Signed at Prague, on 24 May 1948**

Official texts: Serbo-Croat and Czech.

Registered by Yugoslavia on 27 November 1951.

YUGOSLAVIE
et
TCHÉCOSLOVAQUIE

**Accord (avec échange de lettres) concernant les échanges
de marchandises. Signé à Prague, le 24 mai 1948**

**Accord (avec échange de lettres) concernant les paiements
commerciaux. Signé à Prague, le 24 mai 1948**

Textes officiels serbo-croate et tchèque.

Enregistrés par la Yougoslavie le 27 novembre 1951.

[TRANSLATION — TRADUCTION]

No. 1542. TRADE AGREEMENT¹ BETWEEN THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE REPUBLIC OF CZECHOSLOVAKIA. SIGNED AT PRAGUE, ON 24 MAY 1948

The Government of the Federal People's Republic of Yugoslavia and the Government of the Republic of Czechoslovakia, desiring to develop trade between the two countries to the greatest possible extent, have agreed as follows :

Article 1

The two Contracting Parties regard the Trade and Navigation Agreement of 14 November 1928²—with the exception of the customs and tariff clauses and all subsequent supplementary agreements, which do not correspond to the present changed economic conditions, the result of war and occupation—as still governing their reciprocal trade relations until, as the two parties desire, the said Treaty is replaced by a new agreement which will better meet the need for the closest economic co-operation between the two countries.

Article 2

The exchange of goods between the two countries shall be carried out on the basis of lists A and B annexed hereto which constitute an integral part of this Agreement.

In addition to the lists aforementioned, new lists may be agreed on during the currency of this Agreement to supplement and extend lists A and B.

Article 3

Both Contracting Parties shall do everything necessary to ensure delivery of the products designated in lists A and B annexed hereto.

Article 4

Both Contracting Parties shall do everything necessary to ensure that contracts of purchase and sale between the exporters and importers of the

¹ Came into force on 24 May 1948, as from the date of signature, in accordance with article 12.

² League of Nations, *Treaties Series*, Vol. XCVII, p. 9.

Federal People's Republic of Yugoslavia, of the one part, and the importers and exporters of the Czechoslovak Republic, of the other part, shall be made and executed for the agreed quotas set forth in lists A and B annexed hereto.

The contracts of purchase and sale referred to in article 1 hereof shall be concluded as soon as possible. By way of exception, contracts of purchase and sale concerning deliveries of a seasonal nature or for quotas which fall under the heading of "Miscellaneous" may be concluded at any time during the currency of this Agreement.

After the conclusion of contracts between the authorized importers and exporters of the two countries, the Mixed Commission created in accordance with article 1 hereof shall set down in a separate protocol the prices and delivery times stipulated in the contracts.

Article 5

The Government of the Federal People's Republic of Yugoslavia shall issue export and import licences to authorized export and import undertakings for the products enumerated in lists A and B and the quantities or values set forth therein.

The Government of the Czechoslovak Republic shall issue export and import licences to authorized export and import undertakings for the products enumerated in lists A and B and the quantities or values set forth therein.

Article 6

Products exported from the Federal People's Republic of Yugoslavia to the Czechoslovak Republic under this Agreement shall be delivered free on the Yugoslav frontier or f.o.b. Yugoslav river or sea port.

Products exported from the Czechoslovak Republic to the Federal People's Republic of Yugoslavia under this Agreement shall be delivered free on the Czechoslovak frontier or f.o.b. at any Czechoslovak Danube port.

Article 7

No compensation transactions shall be chargeable to the quotas set forth in lists A and B.

Article 8

The method of making payments arising out of the exchange of goods shall be governed by the Commercial Payments Agreement¹ constituting an integral part hereof.

¹ See p. 174 of this volume.

Article 9

The prices of goods to be delivered under lists A and B annexed hereto shall be fixed by direct agreement between the importers and exporters of the two countries.

In the event of serious difficulty in connexion with the fixing of prices, the Chairman of the Yugoslav part of the Mixed Commission set up in accordance with article 10 hereof, shall negotiate with the Commercial Attaché of the Czechoslovak Republic in the Federal People's Republic of Yugoslavia, and the Chairman of the Czechoslovak part of the Mixed Commission shall negotiate with the Commercial Attaché of the Federal People's Republic of Yugoslavia in the Czechoslovak Republic. If the dispute is not settled by this means within fifteen days, it shall be referred to the Mixed Commission for final decision.

Article 10

For the purpose of carrying out and facilitating the exchange of goods between the two Contracting Parties, a Mixed Commission shall be created, to which each of the Contracting Parties shall appoint two members and which shall have the following functions :

1. To take urgent measures to overcome all difficulties arising in connexion with the exchange of goods and particularly in regard to prices and delivery times;
2. To ensure that contracts of purchase and sale are concluded between the importers and exporters of the two countries at the proper time;
3. To ensure that the goods provided for in such contracts are delivered within the stipulated time limits and in accordance with the other terms of the contracts;
4. From time to time to observe the application of the Agreement, to make recommendations for improving and facilitating the exchange of goods and payments between the two countries and to recommend measures to overcome obstacles impeding such exchange;
5. To propose amendments and additions to lists A and B if necessary.

The Mixed Commission shall be constituted within forty-five days from the signature of this Agreement and shall meet alternately in Belgrade and Prague every three months. The Chairmen of the Yugoslav and the Czechoslovak parts of the Mixed Commission may agree to meet at any time if necessary. The place of meeting shall be determined by mutual agreement.

Article 11

Articles not included in lists A and B and, by mutual agreement between the Contracting Parties, articles included in the said lists shall be exported and imported under the heading of "miscellaneous".

Article 12

This Agreement shall enter into force on the date of signature and shall continue in force until 31 December 1948. Lists A and B shall, however, cover deliveries from 1 October 1947 to 31 December 1948. Deliveries under contracts concluded under this Agreement between the authorized exporters and importers of the two countries before 31 December 1948 shall be made even after the expiry of the term aforesaid, under the terms of this Agreement.

If there is a balance in favour of either Party on the expiry of this Agreement, the two Contracting Parties shall within three months determine by mutual agreement the method and conditions for the settlement of such balance, which must be effected by the export of goods within the subsequent two months.

Article 13

This Agreement is done in duplicate in the Serbo-Croatian and Czech languages, both texts being equally authentic.

DONE in Prague, 24 May 1948.

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

For the Government
of the Republic of Czechoslovakia :

(Signed) Evžen LOEBL

LIST A

GOODS FOR EXPORT FROM THE REPUBLIC OF CZECHOSLOVAKIA TO THE FEDERAL PEOPLE'S
REPUBLIC OF YUGOSLAVIA

	<i>Quantity</i>	<i>Value in thousands of dinars</i>
1. Coke	210,000 tons	—
2. Powdered coke	8,000 tons	—
3. Forge coal	3,000 tons	—
4. Rolled products of all kinds, including sheets, pipes, etc.	28,000 tons*	—
5. Steel products (castings, forgings, cold-rolled steel propeller shafts, rims, etc.)	—	50,000
6. Semi-manufactured non-ferrous products	—	25,000
7. High-grade steels	530 tons	—
8. Hard metals and hard-metal tools	—	1,000
9. Welding electrodes	—	5,000
10. Special casings for torpedoes	—	37,000
11. Nails	—	12,000
12. Wheel sets	—	4,500
13. Leaf and coil springs	—	4,000
14. Metal screens (excluding phosphor-bronze screens)	—	2,000
15. Chains	—	4,000
16. Steel and aluminium cable	—	25,000
17. Other steel cable, including flat-woven cable	—	30,000
18. Miscellaneous iron and steel manufactures	—	10,000
19. Sundry tools, workshop equipment, measuring instruments, sawblades, etc.	—	35,000
20. Armatures	—	4,000
21. Pneumatic tools	—	20,000
22. Rollers for rolling mills	—	11,000
23. Miners' lamps	—	4,000
24. Equipment for the textile and leather industries	—	13,000
25. "Božić" brakes and accessories	—	32,000
26. Injectors, lubricators, turbo-generators for locomotives, etc.	—	3,000
27. Conveyor equipment	—	5,000
28. Sundry metal material for technical uses	—	5,000
29. Power units (Diesel, petrol, etc.)	—	8,500
30. Metalworking machines and accessories	—	30,000
31. Woodworking machines and accessories	—	12,000
32. Construction equipment	—	15,000
33. Dredges with accessories	—	15,000
34. Conveyors	—	3,500
35. Compressors with accessories	—	6,500
36. Diesel locomotives	—	10,000
37. Torkred apparatus	—	2,000
38. Agricultural machines and parts	—	30,000
39. Tractors	—	5,000
40. Machinery for the textile, rubber and chemical industries	—	10,000
41. Machinery for the leather and shoe industry	—	6,000
42. Sundry pumps and other equipment for petrol stations	—	10,000
43. Special machines	—	7,000
44. Sundry machines	—	15,000
45. Spare parts and accessories for machines	—	10,000
46. Rotary machines	—	35,000
47. Complete motor repair shops	—	50,000
48. Motor vehicles	—	413,000
49. Semi-manufactured products for trucks	—	75,000
50. Automobile accessories	—	20,000

* Including quantities to be delivered under previous trade agreements.

	Quantity	Value in thousands of dinars
51. Diesel electric units	—	10,000
52. Electric motors with accessories	—	5,300
53. Transformers	—	2,000
54. Rectifiers	—	1,000
55. Electric ovens for tempering	—	2,000
56. Amplifiers and materials for amplifiers	—	4,000
57. Electric measuring instruments	—	5,000
58. Electric meters	—	3,000
59. Electric welding units	—	2,000
60. Relays	—	500
61. Magnets	—	1,000
62. Telecommunications equipment and parts	—	50,000
63. Radio equipment and parts (1 : 1)	—	2,000
64. High-voltage armatures and equipment	—	p.m.
65. High and low-voltage switches	—	p.m.
66. Motion-picture equipment and accessories	—	3,000
67. Electrical equipment for medical use and X-ray equipment	—	8,000
68. Surgical, dental and veterinary tools and instruments	—	10,000
69. Instruments for scientific research and laboratories	—	2,000
70. Optical instruments	—	5,000
71. Electric lamps	—	3,000
72. Bulbs and parts of electric lamps	—	4,000
73. Materials for electric installations	—	10,000
74. Sundry mica and bakelite articles for the electric industry	—	5,000
75. Oilcloth	—	700
76. Cables, conductors and accessories	—	40,000
77. Sundry electrical materials including lighting equipment for theatres and cinema theatres	—	10,000
78. Breathing apparatus	—	3,500
79. Typewriters	—	600
80. Other precision mechanical products	—	5,000
81. Sporting guns and ammunition	—	2,000
82. Laundry machines	—	2,000
83. Sewing machines	—	2,000
84. Automatic scales (up to 20 kg)	—	2,000
85. Metal furniture	—	1,000
86. Separators	—	2,000
87. Milk cans	—	2,000
88. Tacks, nails and wooden pegs	—	3,000
89. Stainless steel and alpac articles and equipment	—	3,000
90. Optical frames and lenses	—	3,000
91. Locks and lock mountings	—	2,000
92. Watches	—	500
93. Vacuum flasks	—	200
94. Small metal articles (razor blades, pens, patent buttons, pins, etc.)	—	15,000
95. Kitchen utensils	—	3,000
96. Refined naphthalene	200 tons	—
97. Creosote oil	800 tons	—
98. Activated carbon	179 tons	—
99. Enamel composition, ceramic glaze, frit and colouring matter	50 tons	—
100. Oxalic acid	50 tons	—
101. Manganese dioxide, synthetic	40 tons	—
102. Nitric acid	450 tons	—
103. Lactic acid	130 tons	—
104. Sodium bisulphite	50 tons	—
105. Sodium sulphite	150 tons	—
106. Sodium thiosulphate for technical uses and photography	60 tons	—
107. Sodium fluoride	2 tons	—
108. Natural cellulose and alcohol	30 tons	—

	Quantity	Value in thousands of dinars
109. Welding salts and powders	15 tons	—
110. Galvanization salts	2 tons	—
111. Formic acid	35 tons	—
112. Composition for gramophone records	p.m.	—
113. Carbolineum for disinfecting	200 tons	—
114. Photographic materials	—	5,000
115. Aniline dyes	150 tons	—
116. Laboratory chemicals	—	3,000
117. Sodium cyanide	120 tons	—
118. Ammonium-chloride	40 tons	—
119. Ammonium nitrate	2,500 tons	—
120. Dye ammonium phosphate	60 tons	—
121. Tritol	1,400 tons	—
122. Primers and various explosives	—	5,000
123. Fuses and detonators	—	3,500
124. Sodium hydrosulphite	50 tons	—
125. Aniline salts and oils	55 tons	—
126. Crude coal-tar, processed	500 tons	—
127. Orthodinitrocresol	10 tons	—
128. Celluloid	2 tons	—
129. Zinc chloride	60 tons	—
130. Preparations for the textile industry	—	4,000
131. Potassium hydroxide	5 tons	—
132. Sulphur carbonate	p.m.	—
133. Barium sulphate	20 tons	—
134. Bone meal	p.m.	—
135. Phenol	p.m.	—
136. Tri-sodium phosphate	10 tons	—
137. Aluminium bronze	4 tons	—
138. Fluorine	150 tons	—
139. Substances for the protecting of plants	—	1,000
140. Stencils for duplicating machines	p.m.	—
141. Pencils	—	5,000
142. Graphite	—	21,000
143. Sundry medical and pharmaceutical chemicals	—	5,000
144. Prepared medicines, pharmaceutical products and dental supplies	—	15,000
145. Sundry chemicals	—	25,000
146. Refractory bricks, containers for the glass industry, etc.	25,000 tons	—
147. Refractory clays, mastic, magnesite sinter and Maltha	15,000 tons	—
148. Graphite containers	60 tons	—
149. Quartzite	1,200 tons	—
150. Asbestos products	—	1,000
151. Kaolin	1,000 tons	—
152. Porcelain ware	—	20,000
153. Ceramic sanitary products	—	14,000
154. Porcelain products for the electric industry	700 tons	—
155. Pipes and tiles	—	5,000
156. Abrasives of all kinds	—	3,000
157. Special paper and drawing paper	—	2,000
158. Sulphite cellulose, bleached	400 tons	—
159. Cardboard products	—	500
160. Wood, celluloid and plastic products	—	2,000
161. Special glass	—	3,000
162. Sheet glass	—	38,500
163. Blown glass	—	2,000
164. Automobile and aircraft tires	—	10,000
165. Conveyors and V-belts	—	4,000
166. Rubber, leather and textile articles for technical uses	—	2,000
167. Rubber footwear	—	3,000
168. Gabardine	—	11,000
169. Sports and physical culture equipment	—	2,000
170. Musical instruments	—	2,500

	Quantity	<i>Value in thousands of dinars</i>
171. Seed, barley	—	4,000
172. Miscellaneous seeds	—	1,000
173. Breeding stock and poultry	—	27,000
174. Exposition goods	—	7,000
175. Special requirements	—	200,000
176. Miscellaneous products	—	150,000

LIST B

PRODUCTS FOR EXPORT FROM THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA TO THE
REPUBLIC OF CZECHOSLOVAKIA

	Quantity	<i>Value in thousands of dinars</i>
1. Maize	102,500 tons	—
2. Starch	400 tons	—
3. Beans	1,000 tons	—
4. Grapes	1,000 tons	—
5. Winter apples	13,000 tons	—
6. Walnuts, unshelled	100 tons	—
7. Carob-beans	200 tons	—
8. Fruit pulp, high grade	500 tons	—
9. Prunes	4,000 tons	—
10. Morello cherry juice	200 tons	—
11. Raspberry juice	50 tons	—
12. Blackberry juice	100 tons	—
13. Figs	p.m.	—
14. Jams	1,000 tons	—
15. Onions	1,000 tons	—
16. Garlic	50 tons	—
17. Oil cakes	2,800 tons	—
18. Sunflower seed	16,000 tons	—
19. Cotton seed	2,000 tons	—
20. Tobacco	1,300 tons	—
21. Sugar-beet pulp	10,000 tons	—
22. Wine distillate	250 tons	—
23. Wine	3,200 tons	—
24. Alcohol	500 tons	—
25. Dehydrated marc	2,000 tons	—
26. Molasses	2,000 tons	—
27. Hay	10,000 tons	—
28. Fermented hay	2,000 tons	—
29. Straw	10,000 tons	—
30. Maize stalks	6,000 tons	—
31. Sundry agricultural products	—	26,500
32. Pork, fattened pigs and lard	6,700 tons	—
33. Mutton	600 tons	—
34. Game meat (hares, etc.)	300 tons	—
35. Poultry, slaughtered (1/3 geese, 1/3 ducks and 1/3 other fowl, fattened)	700 tons	—
36. Winter sausage	100 tons	—
37. Beef, veal, dried and tinned meat	2,250 tons	—
38. Casings (of sheep and other animals)	—	6,000
39. Leather findings, hair, horns and hoofs	—	2,000
40. Eggs	500 tons	—
41. Fresh sea fish (tuna fish, etc.)	300 tons	—
42. Fresh-water fish	500 tons	—
43. Tinned fish in oil	700 tons	—
44. Salted sea fish (sardines)	250 tons	—
45. Sponges	2 tons	—

	<i>Quantity</i>	<i>Value in thousands of dinars</i>
46. Lesonite plates	30,000 m ²	—
47. Oak logs for veneer	750 m ²	—
48. Beech logs for barking	3,000 m ²	—
49. Poplar and willow logs for barking	5,000 m ²	—
50. Walnut logs for veneer	1,300 m ²	—
51. Wood for parquet work	30,000 m ²	—
52. Veneer	250 m ²	—
53. Sheepskins	30 tons	—
54. Goatskins	40 tons	—
55. Lambskins	50 tons	—
56. Kidskins	50 tons	—
57. Game skins	—	10,000
58. Hare skins	20,000 pieces	—
59. Muskrat skins	1,000 pieces	—
60. Pigskin, fancy (50 per cent smooth; 50 per cent pressed)	400,000 feet	—
61. Hemp and tow	1,300 tons	—
62. Feathers, uncleaned	200 tons	—
63. Potassium metabisulphite	15 tons	—
64. Magnesium sulphate	1,000 tons	—
65. Glauber's salt	100 tons	—
66. Tartaric acid	p.m.	—
67. Glycerine	75 tons	—
68. Acetic acid	100 tons	—
69. Methylalcohol, pure	155 tons	—
70. Methylalcohol for technical uses	165 tons	—
71. Methylacetone	30 tons	—
72. Formaldehyde	121 tons	—
73. Pompeian red	110 tons	—
74. Tannin	p.m.	—
75. Glue	20 tons	—
76. Gelatin for photographic purposes	5 tons	—
77. Natural gelatin	10 tons	—
78. Pyrethrum	—	1,500
79. Substances for the protection of plants	—	1,000
80. Essential oils	—	2,250
81. Calcined soda	1,500 tons	—
82. Caustic soda	50 tons	—
83. Sundry chemical products	—	5,000
84. Sundry pharmaceutical products	—	3,000
85. Serum for veterinary purposes	—	3,000
86. Sundry medical herbs	—	5,000
87. Sundry edible aromatic plants (roots, etc.)	—	1,000
88. Opium	2 tons	—
89. Asbestos	240 tons	—
90. Barite, crude	1,200 tons	—
91. Burned magnesite	3,000 tons	—
92. Amorphous magnesite	500 tons	—
93. Calcined gypsum	3,000 tons	—
94. Pyrites and pyrite concentrates	60,000 tons	—
95. Chrome ore and concentrate	3,400 tons	—
96. Iron ore	20,000 tons	—
97. Bauxite	1,000 tons	—
98. Zinc concentrate	p.m.	—
99. Ferrochrome	200 tons	—
100. Ferrosilicon	p.m.	—
101. Ferromanganese	p.m.	—
102. Refined lead	8,400 tons	—
103. Bismuth	10 tons	—
104. Copper	5,065 tons	—
105. Crude zinc	360 tons	—
106. Exhibition goods	—	7,000
107. Miscellaneous	—	150,000

EXCHANGE OF LETTERS

I

Prague, 24 May 1948

Sir,

In connexion with the signing, on this date, of the Agreement concerning the exchange of goods for the year 1948, I have the honour to inform you that the Federal People's Republic of Yugoslavia will ensure delivery, not later than 31 July 1948, of 4,000 tons of meat under the quota stipulated in list B.

I should be grateful if you would acknowledge receipt of this letter.

I have the honour to be, etc.

Head of the Trade Delegation of the Government
of the Federal People's Republic of Yugoslavia :

(Signed) Vojin N. GUZINA

Mr. Evžen LoebI
Deputy Minister of Foreign Trade
Head of the Czechoslovak Trade Delegation
Prague

II

CHAIRMAN OF THE CZECHOSLOVAK TRADE DELEGATION

Prague, 24 May 1948

Sir,

I have the honour to acknowledge receipt of your letter reading as follows :

[See letter I, first paragraph]

I have the honour to be, etc.

(Signed) Evžen LOEBL

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

III

HEAD OF THE TRADE DELEGATION OF THE GOVERNMENT
OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA

Prague, 24 May 1948

Sir,

I have the honour to confirm that, in view of the great importance to both countries of the transit of Czechoslovak goods through Yugoslav ports, the two delegations, in the course of negotiations concerning the reciprocal trade agreement for the year 1948 have agreed as follows :

The Czechoslovak Government shall duly ensure through the Czechoslovak ministries and institutions that Czechoslovak transit traffic shall be directed through Yugoslav ports wherever such route is at least as feasible and as advantageous from the point of view of the Czechoslovak Republic as transport through other ports.

With a view to best co-ordinating Czechoslovak transit traffic through Yugoslav ports in Yugoslav vessels the Czechoslovak Ministry of Foreign Affairs and its Department of Communications shall maintain close liaison with the Trade Mission at the Embassy of the Federal People's Republic of Yugoslavia at Prague, to draw up transport plans in advance in order that ship and warehouse space will be available and transport effected without hindrance.

The Government of the Federal People's Republic of Yugoslavia shall extend for the transport of Czechoslovak goods all facilities which it has granted or may in future grant for the transit traffic of other countries both in its ports and on its sea routes.

I have the honour to be, etc.

(Signed) Vojin N. GUZINA

Mr. Evžen Loebl
Deputy Minister of Foreign Trade
Head of the Czechoslovak Trade Delegation
Prague

IV

CHAIRMAN OF THE CZECHOSLOVAK TRADE DELEGATION

Prague, 24 May 1948

Sir,

[See letter III]

I have the honour to be, etc.

(Signed) Evžen LOEBL

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

V

HEAD OF THE TRADE DELEGATION OF THE GOVERNMENT
OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA

Prague, 24 May 1948

Sir,

I have the honour to confirm that during the negotiations which were completed today with the signing of a Reciprocal Trade Agreement between the Republic of Czechoslovakia and the Federal People's Republic of Yugoslavia and the signing of payments agreements, we have agreed upon the following with respect to payments relating to transport :

(1) Payment for maritime trade in Yugoslav vessels through Yugoslav ports shall be made : one-third in foreign exchange by agreement between the two national banks and two-thirds transferred through the commercial account (account A) of the National Bank of the Federal People's Republic of Yugoslavia and the Czechoslovak National Bank.

(2) The following reciprocal payments shall be made through the commercial account (account A) :

(a) Port fees in Yugoslav ports, warehouse dues, trans-shipment costs and other charges;

(b) The balance arising out of the transport of goods by rail in direct communication between the Federal People's Republic of Yugoslavia and the Republic of Czechoslovakia and related forwarding agency costs;

(c) The balance arising out of the transit of Czechoslovak goods by rail through the territory of the Federal People's Republic of Yugoslavia and the transit of Yugoslav goods by rail through the territory of the Republic of Czechoslovakia, including all related forwarding agency costs;

(d) The balance arising out of the carriage of passengers by rail;

(e) The river transport of goods and passengers in Yugoslav and Czechoslovak vessels together with transshipment costs and all related charges;

(f) Air transport costs of mail and parcels weighing not more than two kilogrammes on all European airlines proceeding from the Republic of Czechoslovakia or the Federal People's Republic of Yugoslavia which are served by Yugoslav or Czechoslovak companies;

(g) The balance arising out of settlements between air transport companies for the carriage of passengers in direct communication between the Federal People's Republic of Yugoslavia and the Republic of Czechoslovakia.

(3) Tickets for airlines proceeding from the Republic of Czechoslovakia to the Federal People's Republic of Yugoslavia, Albania, Bulgaria, Hungary, Poland, Romania and the Union of Soviet Socialist Republics, and railway tickets from the Republic of Czechoslovakia to the above-mentioned countries shall be sold in the Republic of Czechoslovakia to Yugoslav nationals for Czechoslovak crowns remitted through the non-commercial payments account, subject to presentation of evidence of the remittance so made, if required.

Tickets for airlines proceeding from the Federal People's Republic of Yugoslavia to the Republic of Czechoslovakia, Albania, Bulgaria, Hungary, Poland, Romania and the Union of Soviet Socialist Republics, and railway tickets from the Federal People's Republic of Yugoslavia to the above-mentioned countries shall be sold in the Federal People's Republic of Yugoslavia to Czechoslovak nationals for dinars remitted through the commercial payments account subject to presentation of evidence of the remittance so made, if required.

Railway tickets for passage from the Federal People's Republic of Yugoslavia or the Republic of Czechoslovakia to other countries shall be sold to nationals of the other Contracting Party for dinars or crowns respectively valid only to the respective Yugoslav or Czechoslovak border station.

The transport of passengers, including baggage and air freight, from the Republic of Czechoslovakia to other European countries shall be paid as follows :

Twenty-five per cent in Czechoslovak crowns remitted through the non-commercial payments account;

Seventy-five per cent in foreign exchange by agreement between the two national banks.

Air transport of passengers including baggage and air freight from the Federal People's Republic of Yugoslavia to other European countries shall be paid as follows :

Twenty-five per cent in dinars remitted through the non-commercial payments account;

Seventy-five per cent in foreign exchange by agreement between the two national banks.

Tickets for Czechoslovak airlines proceeding to the Federal People's Republic of Yugoslavia and thence to other countries shall be sold in the Federal People's Republic of Yugoslavia to Czechoslovak nationals for dinars remitted through the non-commercial payments account.

Tickets for Yugoslav airlines proceeding to the Republic of Czechoslovakia and thence to other countries shall be sold to Yugoslav nationals for Czechoslovak crowns remitted through the non-commercial payments account.

(4) Tickets for the carriage of passengers on Yugoslav vessels in the territorial waters of the Federal People's Republic of Yugoslavia shall be sold to Czechoslovak nationals for dinars acquired by remittances through the non-commercial payments account. The settlements referred to in paragraphs 1 and 2 apply also to services provided as of 9 May 1945 up to the date of signature of this letter, for which payment has not yet been made.

I have the honour to be, etc.

(Signed) Vojin N. GUZINA

Mr. Evžen Loebel
Deputy Minister of Foreign Trade
Head of the Czechoslovak Trade Delegation
Prague

VI

CHAIRMAN OF THE CZECHOSLOVAK TRADE DELEGATION

Prague, 24 May 1948

Sir,

[See letter V]

I have the honour to be, etc.

(Signed) Evžen LOEBL

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

[TRANSLATION — TRADUCTION]

COMMERCIAL PAYMENTS AGREEMENT¹ BETWEEN THE
FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND
THE REPUBLIC OF CZECHOSLOVAKIA. SIGNED AT
PRAGUE, ON 24 MAY 1948

The Government of the Federal People's Republic of Yugoslavia of the one part and the Government of the Republic of Czechoslovakia of the other part have agreed to provide for the settlement of payments for goods delivered under the Agreement² concerning the exchange of goods, signed this day, as follows :

Article 1

The Czechoslovak National Bank shall continue to maintain the non-interest-bearing account in Czechoslovak crowns opened on behalf of the National Bank of the Federal People's Republic of Yugoslavia in accordance with the Agreement of 28 November 1945 concerning commercial payments and the Agreement of 30 September 1946 concerning commercial payments called the « commercial account » (account A). This account shall be credited with all sums representing the value of Yugoslav goods including related expenses. It shall be debited with all payments representing the value of Czechoslovak goods including related expenses.

Article 2

The National banks of both Contracting Parties undertake to make payment on the order of either party regardless of the funds available in the account mentioned in article 1 hereof provided the balance shall not exceed 400,000,000 Czechoslovak crowns.

Article 3

The amount referred to in the foregoing article may be changed by agreement between the national banks of the two Contracting Parties.

¹ Came into force on 24 May 1948, as from the date of signature, in accordance with article 9

² See p. 138 of this volume.

Article 4

Other payments may also be made through the accounts referred to in article 1 hereof subject to prior agreement of the two national banks, provided that such payments are not governed by special agreements between the two Contracting Parties.

Article 5

If on the expiry of this Agreement the account referred to in article 1 hereof shows a balance, it shall be settled by deliveries of goods by the debtor country in the manner provided in article 12 of the Agreement concerning the exchange of goods concluded this day.

Article 6

The national banks of the two States shall agree on technical arrangements for the proper execution of this Agreement.

Transfers may be made between the commercial accounts by agreement between the two national banks provided that the amounts transferred shall be returned to the original account.

Article 7

All payments or partial payments into the account provided for in article 1 shall be made in accordance with the foreign exchange regulations in force in the Contracting State concerned.

Article 8

If an agreement is reached between the National Bank of the Federal People's Republic of Yugoslavia, the Czechoslovak National Bank and the bank of issue of a third country with which the Federal People's Republic of Yugoslavia and the Republic of Czechoslovakia have concluded payments agreements, transfers may be made from the account referred to in article 1 to the account of the said bank of issue of a third country maintained at the National Bank of the Federal People's Republic of Yugoslavia and the Czechoslovak National Bank and from the account of the bank of issue of such third country to the accounts of both the National Bank of the Federal People's Republic of Yugoslavia and the Czechoslovak National Bank.

Article 9

This Agreement shall enter into force on the date of signature and shall expire on the same date as the Agreement concerning the exchange of goods of which it is an integral part.

This Agreement is done in duplicate in the Serbo-Croatian and Czech languages, both texts being equally authentic.

DONE in Prague, 24 May 1948.

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

For the Government
of the Republic of Czechoslovakia :
(*Signed*) Evžen LOEBL

EXCHANGE OF LETTERS

I

HEAD OF THE TRADE DELEGATION
OF THE GOVERNMENT OF THE FEDERAL PEOPLE'S REPUBLIC
OF YUGOSLAVIA

Prague, 24 May 1948

Sir,

I have the honour to beg you to confirm the following decision reached in connexion with the conclusion of the Agreement concerning payments arising out of the exchange of goods.

The present exchange rate of the Czechoslovak crown for the dollar USA in the Republic of Czechoslovakia is 50 Czechoslovak crowns = 1 dollar USA.

If the above-mentioned rate of exchange of the Czechoslovak crown for the dollar USA should be altered as a result of a change in the value of the Czechoslovak crown, the balances in the accounts of the National Bank of the Federal People's Republic of Yugoslavia at the Czechoslovak National Bank and at other Czechoslovak banks created by remittances through the account at the Czechoslovak National Bank shall be adjusted in proportion to the change in the rate of exchange.

I have the honour to be, etc.

(*Signed*) Vojin N. GUZINA

Mr. Evžen LoebL
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 inform you that the present exchange rate of the Czechoslovak crown for the dollar USA in the Republic of Czechoslovakia is 50 Czechoslovak crowns = 1 dollar USA.

If the above-mentioned rate of exchange of the Czechoslovak crown for the dollar USA should be altered as a result of a change in the value of the Czechoslovak crown, the balances in the accounts of the National Bank of the Federal People's Republic of Yugoslavia at the Czechoslovak National Bank and at other Czechoslovak banks created by remittances through the account at the Czechoslovak National Bank shall be adjusted in proportion to the change in the rate of exchange.

I have the honour to be, etc.

(Signed) Evžen LOEBL

Mr. Vojin Guzina
Deputy Minister of Foreign Trade
Head of the Trade Delegation
of the Federal People's Republic of Yugoslavia
Prague
