

No. 1543

**YUGOSLAVIA
and
CZECHOSLOVAKIA**

**Agreement (with exchange of notes) on non-commercial
payments. 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 échange de notes) concernant les paiements
non commerciaux. Signé à Prague, le 24 mai 1948**

Textes officiels serbo-croate et tchèque.

Enregistré par la Yougoslavie le 27 novembre 1951.

[TRANSLATION — TRADUCTION]

No. 1543. AGREEMENT¹ ON NON-COMMERCIAL PAYMENTS 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 on the settlement of non-commercial payments as follows :

Article 1

The Czechoslovak National Bank shall open on behalf of the National Bank of the Federal People's Republic of Yugoslavia a non-interest bearing account in Czechoslovak crowns called the " Non-Commercial Payments Account " (account C). Payments in Czechoslovakia to the order of the National Bank of the Federal People's Republic of Yugoslavia shall be made through this account.

The National Bank of the Federal People's Republic of Yugoslavia shall open on behalf of the Czechoslovak National Bank a non-interest bearing account in dinars called the " Non-Commercial Payments Account " (account D). Payments in Yugoslavia on orders of the Czechoslovak National Bank shall be made through this account.

Article 2

The following payments shall be made through the accounts referred to in article 1 :

(1) Maintenance costs of diplomatic and other official representatives, and material expenses of legations of both countries;

(2) Costs of official delegations of both countries;

(3) Personal and business expenses of commercial representatives;

(4) Expenses of travellers and tourists of both countries, and balances remaining on settlement between travel and tourist agencies, excluding railway tickets;

(5) Maintenance costs of students and of treatment of sick persons;

(6) Remittances of money to assist families, and of labourer's wages;

¹ Came into force on 24 May 1948, as from the date of signature, in accordance with article 7

- (7) Social insurance pensions and allowances;
- (8) Fees of scientists, authors and artists, and teachers' salaries;

(9) Licence fees, authors' royalties and other payments arising out of intellectual property and not governed by special agreement between the two countries;

- (10) Expenses of crews of river vessels;

(11) All other non-commercial payments not covered by special agreement between the two States upon previous agreement between the national banks of the two contracting States.

Article 3

All payments in or out referred to in article 2 shall be governed by the law of the two contracting States relating to foreign currency.

After the entry into force of this Agreement, payments referred to in article 2 may be made only through the accounts referred to in article 1.

Article 4

All payments to which this Agreement applies shall be made at the rate of 100 dinars = 100 Czechoslovak crowns.

If a change occurs in the rate of exchange in either of the two contracting States, the national bank of that State shall, one day before the change, notify the national bank of the other State by telegram and thereupon all payments out of both non-commercial payments accounts shall be suspended. The national banks shall simultaneously send each other statements of their respective non-commercial payment accounts, and shall establish their mutual balance. No more payments shall be made until the new rates of exchange have been determined by agreement.

In the event of a change in the rate, the balances in the accounts at the national banks of both countries shall be adjusted in proportion to the change.

Article 5

The national bank of each contracting State shall make payment immediately on receipt of the order of the other Party.

Payments made on the respective accounts referred to in article 1 shall be set off against one another. If a balance not covered by payments out of the non-commercial payments account at the other national bank reaches 40 million

Czechoslovak crowns or dinars, the two banks shall agree upon the steps to be taken to ensure in the future the free execution of payments through that account.

On the expiry of this Agreement the final balance shall be settled within three months in a manner to be agreed upon by the two contracting Parties.

Article 6

On the day of entry into force of this Agreement the special accounts C and D at the national bank of each State shall be closed and their balances shall be transferred to the respective accounts referred to in article 1 of this Agreement.

Article 7

This Agreement shall enter into force on the day of its signature for the same period as the Trade Agreement¹ and Commercial Payments Agreement² concluded at the same time.

This Agreement is done in duplicate in Serbo-Croat and Czech, each text being equally authentic.

DONE at Prague, 24 May 1948.

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

For the Czechoslovak Republic :

(Signed) Evžen LOEBL

EXCHANGE OF NOTES

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 confirm that we have agreed as follows, notwithstanding the provisions of article 4, second paragraph, of today's Agreement on Non-Commercial Payments between the Federal People's Republic of Yugo-

¹ See p. 138 of this volume.

² See p. 174 of this volume.

slavia and the Republic of Czechoslovakia, on the financing of tourist traffic in 1948 from the Republic of Czechoslovakia to the Federal People's Republic of Yugoslavia :

(1) Tourist traffic from the Republic of Czechoslovakia to the Federal People's Republic of Yugoslavia shall be financed as to 50 per cent from credits in the " Czechoslovak National Bank—Re-emigrants' Property " account with the National Bank of the Federal People's Republic of Yugoslavia up to an amount not exceeding the sum of 32 million dinars agreed upon between the national banks of the two contracting Parties.

The remaining 50 per cent shall be remitted to the Non-Commercial Payments Account.

(2) When the agreed limit of 32 million dinars is reached, credits of Czechoslovak re-emigrants which would have been placed to the aforesaid account before the date of the signing of this Arrangement shall be taken in payment for tourist traffic to the Federal People's Republic of Yugoslavia as to 25 per cent to the " Czechoslovak National Bank—Re-emigrants' Property " account and as to 75 per cent by remittances to the Non-Commercial Payments Account.

(3) All expenses relating to tourist travel shall be paid in the manner laid down in paragraphs 1 and 2 of this letter except the cost of railway tickets, which shall be paid through the Commercial Payments Account (account A).

(4) Remittances of credits of Yugoslav citizens in the Republic of Czechoslovakia, including credits resulting from the liquidation of movable and immovable property, shall also be paid into the " Czechoslovak National Bank—Re-emigrants' Property " account.

The Czechoslovak National Bank shall issue permits for such remittances of unlimited value up to a total of 10 million Czechoslovak crowns. If sufficient funds are not available in the " Czechoslovak National Bank—Re-emigrants' Property " account, such transfers shall be effected through the Non-Commercial Payments Account up to a total not to exceed 10 million Czechoslovak crowns.

This Arrangement shall not, however, apply to Yugoslav credits in the Republic of Czechoslovakia arising before 9 May 1945, which are to be settled by a special agreement between the two States, nor to credits frozen by provisions of law relating to Czechoslovak currency.

This Arrangement shall remain in force until the end of 1948 and may be extended by agreement between the two Parties until the funds referred to herein are exhausted.

I have the honour to be, etc.

(Signed) Vojin N. GUZINA

II

HEAD OF THE CZECHOSLOVAK TRADE DELEGATION

Prague, 24 May 1948

Sir,

[See note I]

(Signed) Evžen LOEBL

Mr. Vojin 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,

The letter governing the settlement of payments between our two countries does not deal with payment for the carriage of passengers on Yugoslav ships outside territorial waters of the Federal People's Republic of Yugoslavia.

In this connexion I have the honour to inform you that my Government takes the view that the whole cost of carriage of passengers in Yugoslav ships outside territorial waters of the Federal People's Republic of Yugoslavia should be paid in free currency.

I beg you to be good enough to acknowledge receipt of this letter.

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

IV

HEAD OF THE CZECHOSLOVAK TRADE DELEGATION

Prague, 24 May 1948

Sir,

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

[*See note 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 CZECHOSLOVAK TRADE DELEGATION

Prague, 24 May 1948

Sir,

In connexion with the conclusion of the Payments Agreements between our two countries, I have the honour to inform you of the following :

The Czechoslovak and the Yugoslav postal authorities, desiring to develop their mutual relations to the utmost and to use their postal systems for the benefit of both, have held negotiations in order that the Czechoslovak postal service may use much more extensively than hitherto the land and sea communications of the Yugoslav postal service, and shall extend to the Yugoslav postal service its own facilities as agent for the carriage of mails by air. The Czechoslovak postal, telegraph and telephone authorities have also assented to the request of the Yugoslav postal, telegraph and telephone authorities to lend them a telecommunications installation of the MEK 8 type.

The Payments Agreement signed today governs the settlement of costs of carriage of mails by air, which represents only a part of the reciprocal postal accounts passing regularly between the two postal, telegraph and telephone departments. On the contrary, payment of other similar reciprocal postal, telegraph and telephone expenses has not been dealt with. Good relations

between the postal departments of Czechoslovakia and Yugoslavia depend very largely, however, on a satisfactory solution to the problem of payment of all expenses between the two postal, telegraph and telephone departments.

The Czechoslovak Government requests that the settlement of all accounts between the postal departments of our countries may be specially negotiated as soon as possible between the two postal departments in the presence of representatives of both national banks.

I beg you to be good enough to acknowledge receipt of this letter.

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

VI

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 acknowledge receipt of your letter reading as follows :

[See note V]

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

VII

HEAD OF THE CZECHOSLOVAK TRADE DELEGATION

Prague, 24 May 1948

Sir,

In connexion with the settlement of accounts relating to the obligations of the two railway authorities in pursuance of the Agreement concluded this day between the two Delegations, I have the honour to inform you of the following :

Since today's settlement of payments does not deal with the payment of obligations arising out of the transport of goods in transit through the Czechoslovak Republic or the Federal People's Republic of Yugoslavia, or of obligations arising between the two railway authorities otherwise than out of transport charges (e.g., hire of trucks and damage), the Government of the Czechoslovak Republic requests that this matter may be negotiated specially as soon as possible by both railway authorities in the presence of representatives of both national banks.

The Czechoslovak Government, however, has received with pleasure your assurance that the obligations of the Yugoslav Railways towards the Czechoslovak State Railways, established on the date of signature of the Agreement, are to be settled at once and without reference to the settlement to be negotiated in accordance with the request of the Czechoslovak Government.

I beg you to be good enough to acknowledge receipt of this letter.
I have the honour to be, etc.

(Signed) Evžen LOEBL

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

VIII

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 acknowledge receipt of your letter reading as follows :

[See note VII]

I have the honour to be, etc.

(Signed) Vojin N. GUZINA

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