

No. 1548

**YUGOSLAVIA
and
HUNGARY**

Agreement on exchange of goods (with supplement, protocol concerning payments, protocol concerning transportation and exchanges of letters). Signed at Belgrade, on 23 December 1946

Official texts: Serbo-Croat and Hungarian.

Registered by Yugoslavia on 27 November 1951.

**YOUGOSLAVIE
et
HONGRIE**

Accord concernant l'échange de marchandises (avec annexe, protocole concernant les paiements, protocole relatif aux transports et échanges de lettres). Signé à Belgrade, le 23 décembre 1946

Textes officiels serbo-croate et hongrois.

Enregistré par la Yougoslavie le 27 novembre 1951.

[TRANSLATION — TRADUCTION]

No. 1548. AGREEMENT¹ ON EXCHANGE OF GOODS BETWEEN THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE REPUBLIC OF HUNGARY. SIGNED AT BELGRADE, ON 23 DECEMBER 1946

The Government of the Federal People's Republic of Yugoslavia and the Government of the Republic of Hungary, desiring to establish trade between the two countries, have agreed as follows :

Article 1

The Government of the Federal People's Republic of Yugoslavia and the Government of the Republic of Hungary have in lists A and B annexed to this Agreement determined the goods to be exchanged between them in 1947.

Article 2

During the period of validity of this Agreement the Government of the Federal People's Republic of Yugoslavia shall authorize the export to Hungary of the goods specified in list A annexed to this Agreement.

The Government of the Hungarian Republic shall for its part authorize the import into Hungary of the goods specified in list A.

The Government of the Hungarian Republic shall authorize the export to Yugoslavia of the goods specified in list B annexed to this Agreement.

The Government of the Federal People's Republic of Yugoslavia shall for its part authorize the import into Yugoslavia of the goods specified in list B.

Article 3

The Government of the Federal People's Republic of Yugoslavia and the Republic of Hungary shall ensure that deliveries of the goods mentioned in lists A and B shall be effected in accordance with the provisions of article 4 of this Agreement.

Article 4

The quantities of the goods specified in lists A and B shall be determined quarterly by the Mixed Commission set up under article 6 of this Agreement.

¹ Came into force on 1 January 1947, in accordance with article 11.

The Mixed Commission shall meet not later than 25 January to determine the quantities to be shipped during the first quarter of 1947.

As regards the succeeding quarters, the Mixed Commission shall meet not later than fifteen days before the expiration of each current quarter for the purpose of determining the quantities to be delivered during the next quarter, taking into account the contracts concluded and the experience gained during the preceding quarter.

Article 5

Goods exported by the Federal People's Republic of Yugoslavia to Hungary under this Agreement shall be delivered free at Yugoslav frontier or f.o.b. a Yugoslav river port.

Goods exported by the Republic of Hungary to Yugoslavia shall be delivered free at Yugoslav frontier or f.o.b. a Hungarian river port.

Article 6

The Government of the Federal People's Republic of Yugoslavia and the Government of the Hungarian Republic have agreed to establish a Mixed Commission composed of the two special representatives referred to in article 8 of this Agreement and two members appointed by each of the Contracting Parties.

The special representatives shall act as chairmen of the Mixed Commission.

The functions of the Mixed Commission shall be :

- (a) To determine the quantities of the goods specified in lists A and B to be delivered within a particular quarter;
- (b) To vary or add to the annexed lists A and B;
- (c) To make proposals to improve and expedite trade and the payment procedure;
- (d) To establish methods of settling the balance outstanding upon the expiration of this Agreement.

Article 7

Commercial contracts shall be concluded between particular exporting and importing firms of the two countries. The firms shall in so doing determine the prices in accordance with the principles laid down in the later paragraphs of this article.

The prices of the goods to be delivered in accordance with the annexed lists A and B shall be based on world market prices, taking into account also the purchase or sale price of similar goods in other countries.

If the prices fixed by the exporter or importer give rise to substantial difficulty, the dispute shall be settled by the representative of the exporting country referred to in article 8 of this Agreement and the commercial representative of the importing country. If no settlement can be reached within ten days after the dispute has been submitted to the commercial or special representative, the dispute shall be settled by the Ministers of the two countries.

Article 8

For the purpose of carrying out the present agreement each Contracting Party shall appoint a special representative who shall :

- (a) Act in an emergency to settle any difficulties arising out of exchange of goods, and particularly over prices;
- (b) Ensure that sales contracts are concluded in due time between exporters and importers of the two countries;
- (c) Ensure that the goods determined by the Mixed Commission for exchange during a particular quarter are delivered within the prescribed time limit;
- (d) Ensure that goods the subject of a sales contract are delivered within the prescribed time limits and in accordance with the other terms of the contract.

The Contracting Parties shall notify to each other the appointment of their special representatives within fifteen days after this Agreement enters into force.

Article 9

The method of payment for reciprocal deliveries of goods shall be governed by the Protocol¹ concerning payments resulting from exchange of goods between the Federal People's Republic of Yugoslavia and the Republic of Hungary, signed this day and constituting an integral part of this Agreement.

Article 10

Per contra transactions in respect of the goods specified in Lists A and B are not permitted. Other *per contra* transactions may be authorized and effected by agreement between the representatives of the two Contracting Parties.

Per contra transactions authorized before this Agreement enters into force shall remain valid.

¹ See p. 106 of this volume.

Article 11

This Agreement shall enter into force on 1 January 1947 and remain in force until 31 December 1947.

The Mixed Commission shall within three months from the date on which this Agreement expires determine the methods by which the balance outstanding on expiration shall be settled.

DONE at Belgrade on 23 December 1946, in two copies in Serbian and Hungarian, both texts being equally authentic.

For the Federal People's
Republic of Yugoslavia :
(Signed) Nikola PETROVIĆ

For the Republic of Hungary :
(Signed) A. BÁN

LIST A

YUGOSLAV EXPORTS FOR HUNGARY

	<i>Minimum</i>	<i>Maximum</i>
Iron ore	100,000 tons	100,000 tons
Blister copper	1,000 tons	1,200 tons
Electrolytic copper	200 tons	300 tons
Chrome ore, Ia, IIa	500 tons	1,000 tons
Chrome concentrates	1,500 tons	1,500 tons
Pyrite ores	10,000 tons	10,000 tons
Pyrite concentrates	20,000 tons	20,000 tons
Refined lead (crepca)	1,000 tons	1,000 tons
Zinc, powdered	100 tons	100 tons
Mercury	15 tons	50 tons
Gypsum, alabaster	6,000 tons	6,000 tons
Gypsum, for stucco-work	4,800 tons	4,800 tons
Crude barite	2,600 tons	2,600 tons
Ground barite	3,000 tons	3,000 tons
Crude magnesite	4,800 tons	4,800 tons
Quartz sand	20,000 tons	30,000 tons
Ferrosilicon, 90 per cent	100 tons	200 tons
Ferrochrome	150 tons	300 tons
Sodium hydroxide	2,500 tons	3,000 tons
Ammonium soda	4,000 tons	6,000 tons
Beech tar	20 tons	50 tons
Methyl alcohol	200 tons	500 tons
Pyrolin acid	200 tons	200 tons
Calcium acetate	100 tons	100 tons
Formaldehyde	100 tons	100 tons
Acetone	p.m.	
Calcium carbide	500 tons	800 tons
Sawn softwoods	30,000 m ³	50,000 m ³
Softwood logs	20,000 m ³	20,000 m ³
Firewood	40,000 m ³	40,000 m ³
Cellulose wood	10,000 m ³	15,000 m ³
Tanning extracts	1,000 tons	1,500 tons
Retort coal and charcoal	1,000 tons	1,000 tons
Hemp, soaked	100 tons	200 tons
Tow, soaked	100 tons	200 tons
Sheep casings	5,000 kg	7,000 kg
Leather waste	400 tons	400 tons
Skins	p.m.	
Medicinal herbs	\$30,000	—
Miscellaneous	—	\$2,000,000

LIST B

HUNGARIAN EXPORTS FOR YUGOSLAVIA

<i>I. Chemical products</i>		
Ammonium sulphate	tons	30
Hydrogen	m ³	200
Caseine for plywood pasting	tons	50
Hydrogen peroxide	tons	15
Chrome alum	tons	60
Carbon black	tons	50
Sodium sulphite	tons	60
Machine grease	tons	200
<i>II. Pharmaceutical and veterinary products</i>		
Various pharmaceutical and veterinary products	\$	100,000
<i>III. Laboratory equipment, surgical and veterinary instruments and apparatus</i>		
Various laboratory equipment, surgical and veterinary instruments, apparatus and ampoules	\$	500,000
<i>IV. Optical materials</i>		
Various optical materials, surveying and other materials	\$	500,000
<i>V. Agricultural products</i>		
Lupine seeds	tons	50
Winter pea seed, fodder	tons	30-50
Steel powder for trifolin	tons	
Machines for wet cleansing	tons	15
Steel powder for dry cleansing	tons	10
Boars, "Mangalica" (80 kg.)		50
Stallions, "Nonius"		5, if possible
<i>VI. Textiles and leather</i>		
Textile tools (spools, pickers, belts, etc.)	\$	100,000
<i>VII. Metals and metal manufactures</i>		
Hoop iron	tons	1,000
High-speed steel	tons	30
Tool steel	tons	30
Silver steel	tons	20
Silver high-speed steel	tons	20
Sheets, various	tons	500
Aluminium sheets	tons	500
Steel tubes	tons	3,000
Steel wire for springs	tons	5
Springs for telegraphic apparatus	pieces	1,000
Spiral springs for telegraphic apparatus	pieces	1,000
Rails (accessories, 500 tons)	tons	2,000
Points and spare parts	tons	2,000
Alucel		} By agreement and depending on possibilities
Bronze	kg.	
Steel wire, plain and undulant, cross section 0.31	tons	10
<i>VIII. Building materials</i>		
Fire bricks	tons	1,250
Dinas bricks	tons	1,500
Silica bricks	tons	1,500
Fire brick, pulverized	tons	150
Sanitary earthenware	\$	100,000

IX. Technical materials

Dark glass for welders' goggles	pieces	1,000	
Coal rods	pieces	5,000,000	
Coal brush handles	pieces	800	
Plugs for tramway overhead gear	pieces	500	
Welding electrodes	pieces	535,000	and 15 tons
Glass axle bearings for railway telegraphs.	pieces	1,000	
Various technical materials	\$	50,000	

X. Machinery

Compressors	pieces	25	
Mobile crushers	pieces	70	
Steam and motor rollers	pieces	30	
Roasting mills	pieces	5	
Vibrators, G 3	pieces	1	
Vibrators, G 5	pieces	1	
Pumps	pieces	200	
Excavators	pieces	20	
Machine tools	pieces	300	
Ore-grinding mill	pieces	3	
Cranes	pieces	6	
Presses	pieces	50	
Sewing machines, various	pieces	2,000	
Hardening ovens	pieces	5	
Internal-combustion motors	pieces	30	
Agricultural machinery (tractors, tractor-ploughs, cultivators, etc.)	\$	300,000	} Delivery postponed to the first half of 1949
Sawmill machinery (frame-saws, band-saws, tractors, crawlers, etc.)	\$	100,000	

XI. Railway vehicles, etc.

Steam engines	pieces	10
Motor engines	pieces	15
Mail vans	pieces	12
Battery trolleys	pieces	10
Spare parts for wagons, various	\$	100,000
Bicycles	pieces	2,000

XII. Electrical engineering

Power stations, cap. 5-150 HP	pieces	150	} Delivery during 1947/48
Power stations, Diesel engine operated, 200 HP	pieces	3	
Power stations, steam, 500 HP	pieces	2	
Turbo- and motor-generators	pieces	3	
Electric motors	pieces	120	
Transformers	pieces	420	
Generating sets and electrical welding apparatus	pieces	70	
Switches	pieces	1,000	
Interruption, cut-outs	pieces	125,000	
Prime movers	pieces	9,000	
Current meters	pieces	35,000	
Rectifiers (with mercury only)	pieces	250	
Measuring instruments	pieces	5,000	
Measuring transformers	pieces	500	
Bulbs	pieces	500,000	
Wolfram spiral wires for bulbs, ready-made.	pieces	500,000	
Signalling bulbs	pieces	2,500	
Condensers	pieces	1,000	
Distributors and gaskets	pieces	2,500	
Automatic sub-stations	pieces	100	
Telephone exchanges	pieces	50	
Telephones	pieces	1,000	
High-frequency bridges	pieces	60	

Regulators	pieces	40	
Telephone amplifiers	pieces	50	
Unipole automats	pieces	3,000	
Microphone capsules	pieces	1,000	
Capsules for receivers	pieces	500	
Porcelain insulators	tons	500	} Provided that delivery can be continued during 1948.
Telephone condensers	pieces	1,500	
Indicators	pieces	400	
Electric igniters	pieces	1,000,000	
Hydro-electric power plant, approx. capacity $2 \times 2,000$ HP, with complete machinery and equipment and with attached transformer station of the same capacity and transfer tension of 30,000 V	piece	1	} Delivery postponed to the first half of 1949
Hydro-electric power plant as above, cap. $1 \times 3,000$ HP plus 1×700 HP, otherwise as above	piece	1	
Regulating transformer 110/5 KV, 5 MW complete with switchgear, with one conductor on high and one on low side	piece	1	} Delivery during 1948
Regulating transformer 60/30 KV, 3 MW; complete with one conductor 60 KW and two lateral-conductors, 30 KV	pieces	2	
Transformer 60/30 KV, 30 MW with one conductor on low side and one on high side	pieces	2	
Transformer 6/60 KV, 5 MW with one conductor on low side and one on high side	pieces	2	
Capacity switches for 110 KV tension for transformer stations	pieces	15	} As specified in the Agreement
Tension separators for 110 KV tension KV and mechanical drive	pieces	50	
Current transformer for 110, 80, 60, 30, 10 and 6 KV current ohmmeters	pieces	60	
Tension transformer for 30 KV	pieces	10	
Various relays and other measuring and signalling apparatus	\$	30,000	
Various connecting and other materials	\$	20,000	
Radio stations 10 KW, medium-wave	pieces	2	
Radio stations 50 KW, short-wave	piece	1	
Materials for transmitting stations, studio equipment and laboratories	\$	150,000	
Service materials	\$	20,000	
Material for radio industry and apparatus	\$	200,000	
Various installation materials	\$	50,000	
Various materials for low tension	\$	50,000	
High-frequency and telephone cables for urban network	\$	200,000	
Other electrical engineering material	\$	100,000	
<i>XIII. Miscellaneous</i>	\$	2,000,000	

SUPPLEMENT TO THE AGREEMENT ON EXCHANGE OF GOODS
BETWEEN THE FEDERAL PEOPLE'S REPUBLIC OF YUGO-
SLAVIA AND THE REPUBLIC OF HUNGARY SIGNED AT BEL-
GRADE ON 23 DECEMBER 1946

In order to facilitate trade between their two countries, the Government of the Federal People's Republic of Yugoslavia and the Government of the Republic of Hungary have agreed that during the period of validity of the Agreement on Exchange of Goods signed at Belgrade on 23 December 1946 the two Contracting Parties shall grant to each other, in respect of customs procedure and tariffs and of customs duties and other taxes applied to the goods exchanged between them, a treatment no less favourable than that accorded to any third country.

DONE at Belgrade on 23 December 1946, in two copies in Serbian and Hungarian, both texts being equally authentic.

For the Federal People's
Republic of Yugoslavia :
(Signed) Nikola PETROVIĆ

For the Hungarian Republic :
(Signed) Antal BÁN

PROTOCOL¹ CONCERNING PAYMENTS RESULTING FROM EX-
CHANGE OF GOODS BETWEEN YUGOSLAVIA AND HUNGARY

The Government of the Federal People's Republic of Yugoslavia, of the one part, and the Government of the Republic of Hungary, of the other part, for the purpose of regulating the mutual payments resulting from exchange of goods between their two countries, have agreed as follows :

Article 1

All payments relating to exchange of goods between Yugoslavia and Hungary under the Agreement² on exchange of goods signed this day shall be made through the National Bank of the Federal People's Republic of Yugoslavia and the Hungarian National Bank at Budapest.

¹ Came into force on 1 January 1947, in accordance with article 11.

² See p. 92 of this volume.

Article 2

The National Bank of the Federal People's Republic of Yugoslavia and the Hungarian National Bank shall open on behalf of each other free of charge non-interest bearing accounts in United States dollars.

Article 3

Yugoslav debtors shall pay the amounts they owe when due in dinars into the dollar account of the Hungarian National Bank with the National Bank of the Federal People's Republic of Yugoslavia.

Hungarian debtors shall pay the amounts they owe when due in forints into the dollar account of the National Bank of the Federal People's Republic of Yugoslavia with the Hungarian National Bank.

Article 4

The payments made under the provisions of this Protocol shall include :

- (a) Payments for goods;
- (b) Payments of expenses in connexion with exchange of goods, including packing and insurance;
- (c) Allowances, discounts and bonuses in connexion with exchange of goods; and
- (d) Any other payments previously agreed upon by the two Contracting Parties.

Article 5

The two banks shall make payments to the interested parties in their domestic currencies in the order in which they receive notices of receipt of payments, which shall be deemed to be orders for payment.

Article 6

All payments into and out of the accounts mentioned in article 2 of this Protocol shall be made in the domestic currency of, and at the rate of exchange applicable in, the country concerned.

Article 7

The national bank of either Contracting Party shall make payments to the order of the bank of the other Contracting Party without regard to the funds

available in the accounts referred to in article 2 of this Protocol, provided that the debit balance shall not exceed the equivalent of \$U.S. 1,000,000.

Article 8

The balance of the accounts mentioned in article 2 shall be settled on the expiry of this Protocol in accordance with the provisions of article 11 of the Agreement on exchange of goods. If the Mixed Commission fails to agree on settlement of the balance by export of goods, the balance shall at the request of the creditor country be settled in free foreign currency.

Article 9

The national banks of the two countries shall agree on the technical arrangements necessary for the proper execution of this Protocol.

Article 10

All payments into and out of the accounts mentioned in article 2 shall be made in accordance with the exchange regulations in force in the country concerned.

Article 11

This Protocol shall enter into force on 1 January 1947 and shall form an integral part of the Agreement Concerning the Exchange of Goods of 23 December 1946.

DONE at Belgrade on 23 December 1946, in duplicate in Serbian and Hungarian, both texts being equally authentic.

For the Federal People's
Republic of Yugoslavia :
(Signed) Nikola PETROVIĆ

For the Hungarian Republic :
(Signed) Antal BÁN

PROTOCOL¹ CONCERNING TRANSPORTATION, ANNEXED TO THE AGREEMENT² ON EXCHANGE OF GOODS CONCLUDED ON 23 DECEMBER 1946 BETWEEN THE GOVERNMENT OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE GOVERNMENT OF THE HUNGARIAN REPUBLIC

In order to ensure technical facilities for the transportation of goods to be exchanged between Hungary and Yugoslavia under the Agreement on exchange of goods signed between the two countries this day, and to enable Hungary to exchange goods with third countries via the Yugoslav port of Rijeka, the Government of the Federal People's Republic of Yugoslavia and the Government of the Hungarian Republic have agreed as follows :

Article 1

Goods shall be transported to either country by rail or river or both.

Article 2

In the case of transportation by rail the exporting country shall ordinarily provide wagons for the carriage of the exported goods.

Where goods are shipped by third countries to Hungary via Rijeka, Yugoslavia shall be deemed to be the exporting country for the purpose of providing wagons.

The provision of wagons shall be regulated, in accordance with the principle hereinbefore stated, by agreement between the railway administrations concerned.

Article 3

In exchange of goods with third countries via Rijeka, Hungary shall be given the following facilities :

(a) In respect of the loading and unloading of goods at Rijeka the rules and conditions governing parity in other Adriatic ports shall apply where they are more favourable to Hungarian exporters.

(b) The Department of Public Warehouses shall, together with the Hungarian exporters, favourably consider the use of parity conditions applicable in foreign ports outside the Adriatic Sea.

¹ Came into force on 1 January 1947, in accordance with article 11.

² See p. 92 of this volume.

(c) Where wagons or vessels are detained through lack of port facilities, the public warehouses shall bear the costs resulting therefrom;

(d) Goods in transit from Hungary shall be exempt from warehousing fees for a period of four weeks; in exceptional cases where the goods are awaiting the arrival of a vessel that period shall, with the previous agreement of the port authorities, be extended until the arrival of the vessel.

Article 4

This Protocol shall enter into force on 1 January 1947 and shall form an integral part of the Agreement on exchange of goods of 23 December 1946.

DONE at Belgrade on 23 December 1946, in duplicate in Serbian and Hungarian, both texts being equally authentic.

For the Federal People's
Republic of Yugoslavia :
(Signed) Nikola PETROVIĆ

For the Hungarian Republic :
(Signed) Antal BÁN

EXCHANGE OF LETTERS

I

Belgrade, 23 December 1946

Sir,

In conformity with the desire expressed by the Government of the Hungarian Republic to import from Yugoslavia during 1947 a larger quantity of hemp than is provided for in the Agreement on exchange of goods of 23 December 1946, I have the honour to inform you that the Government of the Federal People's Republic of Yugoslavia will meet the desire of the Government of the Hungarian Republic in so far as the hemp production of the Federal People's Republic of Yugoslavia during 1947 permits.

I have the honour, etc.

(Signed) Nikola PETROVIĆ
Minister of Foreign Trade
Chairman of the Yugoslav Trade Delegation

Mr. Antal Bán
Chairman of the Hungarian Trade Delegation
Minister of the Hungarian Republic
Belgrade

II

Belgrade, 23 December 1946

Sir,

I beg to acknowledge receipt of your letter of today's date, reading as follows :

[See letter I]

I have the honour, etc.

(Signed) Antal BÀN
Chairman of the Hungarian Trade Delegation
Minister of Industry of the Hungarian Republic

Mr. Nikola Petrović
Chairman of the Yugoslav Trade Delegation
Minister of Foreign Trade
Belgrade

III

Belgrade, 23 December 1946

Sir,

In compliance with the desire expressed by the People's Federal Republic of Yugoslavia to buy from the Republic of Hungary a larger quantity of rails and accessories than that laid down in the Agreement for the exchange of goods of 23 December 1946, I have the honour to inform you that the Government of the Republic of Hungary will, as soon as it has ascertained the extent of its obligation to deliver rails, meet the wish of the Government of the People's Federal Republic of Yugoslavia and advise it of the greatest quantity which the Government of the Republic of Hungary will be able to deliver during 1947 in excess of the quota laid down in the Agreement for the exchange of goods signed today.

I have the honour to be, etc.

(Signed) Antal BÀN
Chairman, Hungarian Trade Delegation
Minister of Industry, Republic of Hungary

Mr. Nikola Petrović
Chairman of the Yugoslav Trade Delegation
Minister of Foreign Trade
Belgrade

IV

Belgrade, 23 December 1946

Sir,

I beg to acknowledge receipt of your letter of today's date, reading as follows :

[See letter III]

I have the honour to inform you that I agree with the foregoing.

I have the honour, etc.

(Signed) Nikola PETROVIĆ
Minister of Foreign Trade
Chairman of the Yugoslav Trade Delegation

Mr. Antal Bán
Chairman of the Hungarian Trade Delegation
Minister of Industry
Belgrade

V

Belgrade, 23 December 1946

Sir,

The Agreement on exchange of goods concluded this day at Belgrade between our two countries may be expected to give rise to copious exchange of goods, making long-term payments necessary.

Under the provisions of the Protocol concerning payments our accounts would be adversely affected if payments for deliveries which might take several months had to be made immediately.

I therefore have the honour to request you to take the necessary steps to ensure that Hungarian suppliers do not demand payment by letter of credit for the full amount of the orders placed but that Yugoslav importers may pay through the National Bank of the Federal People's Republic of Yugoslavia only the agreed instalments on the dates specified in the respective sales contracts.

The Government of the Federal People's Republic of Yugoslavia is prepared to grant the same facilities to Hungarian importers in similar cases.

I should be grateful if you would be so good as to inform me of your agreement with the foregoing.

I have the honour, etc.

(Signed) Nikola PETROVIĆ
Chairman of the Yugoslav Trade Delegation
Minister of Foreign Trade

Mr. Antal Bán
Chairman of the Hungarian Trade Delegation
Minister of Industry of the Hungarian Republic
Belgrade

VI

Belgrade, 23 December 1946

Sir,

I beg to acknowledge receipt of your letter of today's date, reading as follows :

[See letter V]

I have the honour to inform you that I agree with the foregoing.

I have the honour, etc.

(Signed) Antal BÁN
Chairman of the Hungarian Trade Delegation
Minister of Industry of the Hungarian Republic

Mr. Nikola Petrović
Chairman of the Yugoslav Trade Delegation
Minister of Foreign Trade
Belgrade

VII

Belgrade, 23 December 1946

Sir,

During the negotiations conducted in December 1946 between the Delegations of the Federal People's Republic of Yugoslavia and of the Hungarian Republic with a view to concluding an Agreement on exchange of goods, the Yugoslav delegation mentioned settlement of the reciprocal financial obligations incurred during the war.

Having in view the recognition of those obligations and the need for their settlement, the Yugoslav and Hungarian delegations agreed that these questions should be the subject of separate negotiations.

In this connexion I have the honour to propose that negotiations on the settlement of financial obligations incurred during the war between our two countries should be started within six months after the date of signature of the above Agreement.

I have the honour, etc.

(Signed) Nikola PETROVIĆ
Minister of Foreign Trade of the
Federal People's Republic of Yugoslavia
Chairman of the Yugoslav Trade Delegation

Mr. Antal Bán
Chairman of the Hungarian Trade Delegation
Minister of Industry of the Hungarian Republic
Belgrade

VIII

Belgrade, 23 December 1946

Sir,

I beg to acknowledge receipt of your letter of today's date, reading as follows :

[See letter VII]

I have the honour to inform you that I agree with the foregoing.

I have the honour, etc.

(Signed) Antal BÁN
Chairman of the Hungarian Trade Delegation
Minister of Industry of the Hungarian Republic

Mr. Nikola Petrović
Chairman of the Yugoslav Trade Delegation
Minister of Foreign Trade
Belgrade