

No. 2081

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
YUGOSLAVIA**

Loan Agreement (with annexed Loan Regulations No. 3 and related letter). Signed at Washington, on 11 October 1951

Letter-Agreement concerning special commitments. Washington, 11 February 1952

Official text: English.

Registered by the International Bank for Reconstruction and Development on 9 February 1953.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
YOUgoslavie**

Contrat d'emprunt (avec, en annexe, le Règlement n° 3 sur les emprunts et une lettre y relative). Signé à Washington le 11 octobre 1951

Accord par lettre concernant des engagements spéciaux, Washington 11 février 1952

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 9 février 1953.

No. 2081. LOAN AGREEMENT¹ BETWEEN THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 11 OCTOBER 1951

AGREEMENT, dated October 11, 1951, between FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

SPECIAL DEFINITIONS

Section 1.01. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement or any Schedule hereto :

- (1) The term "Loan Regulations" means Loan Regulations No. 3² of the Bank, dated December 6, 1950, subject, however, to the modifications thereof set forth in Schedule 3³ to this Agreement.
- (2) The term "French francs" means francs in the currency of Republic of France.
- (3) The term "pounds sterling" means pounds sterling in currency of the United Kingdom of Great Britain and Northern Ireland.
- (4) The term "Swiss francs" means francs in currency of the Swiss Confederation.
- (5) The term "Agency" means any instrumentality of the Borrower or of a political subdivision of the Borrower and shall include any institution or organization a majority interest in which at the time referred to is owned directly or indirectly by the Borrower or a political subdivision of the Borrower, or all or substantially all of whose obligations are guaranteed by the Borrower or a political subdivision of the Borrower, or the operations of which are conducted primarily in the interest of or for account of the Borrower or a political subdivision of the Borrower, as the case may be.

¹ Came into force on 28 December 1951, upon notification by the Bank to the Government of Yugoslavia.

² See p. 22 of this volume.

³ See p. 20 of this volume.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions hereinafter in this Agreement set forth or referred to, an amount in various currencies equivalent to twenty-eight million dollars (\$28,000,000).

Section 2.02. The parties to this Agreement accept all the provisions of the Loan Regulations, a copy of which has been furnished to the Borrower, with the same force and effect as if they were fully set forth herein.

Section 2.03. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1 %) per annum on the principal amount of the Loan not so withdrawn from time to time.

Section 2.05. The Borrower shall pay interest at the rate of four and one-half per cent ($4\frac{1}{2}$ %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.06. Interest and commitment charge shall be payable semi-annually on April 15 and October 15 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1¹ to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to the cost of goods which will be required for the carrying out of the Projects as described in Schedule 2² to this Agreement. The specific goods to be purchased out of the proceeds of the Loan shall be determined by agreement between the Bank and the Borrower, and the list of such goods may be modified from time to time by agreement between them.

Section 3.02. The Borrower shall cause all goods purchased in whole or in part with the proceeds of the Loan to be used in the territories of the Borrower exclusively in the carrying out of the Projects; provided, however, that the

¹ See p. 14 of this volume.

² See p. 16 of this volume.

maritime equipment purchased under the Agriculture and Fisheries Project shall be used as part of the Yugoslav merchant and fishing fleet.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The Minister of Finance of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall cause the carrying out of the Projects to proceed with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) The Borrower shall cause to be maintained records showing the use made of the goods and the progress of the Projects (including the cost thereof) ; shall enable the Bank's representatives to examine the Projects, the goods and any relevant records and documents ; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the goods and the Projects.

Section 5.02. (a) The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan shall be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower, such information will include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

The Borrower and the Bank shall from time to time exchange views with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof ; and the Borrower will promptly inform the Bank of any condition which shall arise that shall prevent, obstruct or interfere with the accomplishment of the purposes of the Loan or the maintenance of the service thereof, or threaten to do so.

(b) If the Borrower, or any of its political subdivisions or any Agency shall propose to incur any external debt, the Borrower, except as the Bank shall otherwise agree, shall notify the Bank promptly of the particular proposal and, before the

proposed action is taken, shall afford to the Bank all opportunity which is reasonably practicable in the circumstances to exchange views with the Borrower with respect thereto ; provided, however, that the foregoing provisions shall not apply to the following :

- (i) the incurring of additional external debt through utilization, in accordance with the terms of any credit established prior to the date of this Agreement, of any unused amounts available under such credit ; and
- (ii) the entering into international payments or similar agreements the term of which is not more than one year and under which the transactions on each side are expected to balance over the period of the agreement.

(c) The Borrower will afford to the Bank all reasonable opportunity for accredited representatives of the Bank to visit freely any part of the territories of the Borrower for purposes consistent with the spirit and purposes of the Loan.

Section 5.03. It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower or any of its political subdivisions or any Agency as security for any external debt, such lien shall equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision shall be made to that effect ; provided, however, that this Section shall not apply to any lien created on any property at the time of purchase thereof solely as security for the payment of the purchase price of such property.

Section 5.04. The Borrower covenants that the principal of, and interest and other charges on, the Loan and the Bonds will be paid without deduction for and free from any taxes imposed by the Borrower or any taxing authority thereof or therein and will be paid free from all restrictions of the Borrower, its political subdivisions or any Agency. The foregoing provisions of this Section shall not apply to taxation of payments under the provisions of any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

Section 5.05. The Borrower covenants that the Loan Agreement and the Bonds will be free of any issue, stamp or other tax imposed by the Borrower or any taxing authority thereof or therein.

Section 5.06. The Borrower shall satisfy the Bank that adequate arrangements have been made to insure the goods financed with the proceeds of the Loan against risks incident to their purchase and importation into the territories of the Borrower.

Article VI

REMEDIES OF THE BANK

Section 6.01. If any event specified in paragraphs (a) or (b) of Section 5.02 of the Loan Regulations shall occur and shall have continued for a period of thirty days or if an event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall have continued for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Article VII

MISCELLANEOUS

Section 7.01. The date specified for the purposes of Section 9.04 of the Loan Regulations is December 31, 1951.

Section 7.02. The Closing Date shall be December 31, 1953.

Section 7.03. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower : Embassy of the Federal People's Republic of Yugoslavia, Commercial Department, 1600 Massachusetts Avenue, N. W., Washington, District of Columbia, United States of America.

For the Bank : International Bank for Reconstruction and Development 1818 H Street, N. W. Washington 25, D. C., U. S. A.

Section 7.04. The Minister of Finance of the Borrower in office at the time in question is designated for the purposes of Section 8.03 of the Loan Regulations.

Section 7.05. In this Agreement any reference to the Minister of Finance of the Borrower shall include a reference to any Minister for the time being acting for or on behalf of the Minister of Finance of the Borrower.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Federal People's Republic of Yugoslavia :

By Vladimir VELEBIT
Authorized Representative

International Bank for Reconstruction and Development :

By R. L. GARNER
Vice President

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date</i>	<i>Payment Due</i>	<i>Payment of Principal* (expressed in dollars)</i>	<i>Principal Amount Outstanding After Each Payment* (expressed in dollars)</i>	<i>Date</i>	<i>Payment Due</i>	<i>Payment of Principal* (expressed in dollars)</i>	<i>Principal Amount Outstanding After Each Payment* (expressed in dollars)</i>
October 15, 1954	—	—	\$28,000,000*	April 15, 1966	\$618,000	\$618,000	\$16,742,000
April 15, 1955	\$379,000	\$379,000	27,621,000	October 15, 1966	632,000	632,000	16,110,000
October 15, 1955	388,000	388,000	27,233,000	April 15, 1967	647,000	647,000	15,463,000
April 15, 1956	396,000	396,000	26,837,000	October 15, 1967	661,000	661,000	14,802,000
October 15, 1956	405,000	405,000	26,432,000	April 15, 1968	676,000	676,000	14,126,000
April 15, 1957	414,000	414,000	26,018,000	October 15, 1968	691,000	691,000	13,435,000
October 15, 1957	424,000	424,000	25,594,000	April 15, 1969	707,000	707,000	12,728,000
April 15, 1958	433,000	433,000	25,161,000	October 15, 1969	723,000	723,000	12,005,000
October 15, 1958	443,000	443,000	24,718,000	April 15, 1970	739,000	739,000	11,266,000
April 15, 1959	453,000	453,000	24,265,000	October 15, 1970	756,000	756,000	10,510,000
October 15, 1959	463,000	463,000	23,802,000	April 15, 1971	773,000	773,000	9,737,000
April 15, 1960	474,000	474,000	23,328,000	October 15, 1971	790,000	790,000	8,947,000
October 15, 1960	484,000	484,000	22,844,000	April 15, 1972	808,000	808,000	8,139,000
April 15, 1961	495,000	495,000	22,349,000	October 15, 1972	826,000	826,000	7,313,000
October 15, 1961	506,000	506,000	21,843,000	April 15, 1973	844,000	844,000	6,469,000
April 15, 1962	518,000	518,000	21,325,000	October 15, 1973	864,000	864,000	5,605,000
October 15, 1962	529,000	529,000	20,796,000	April 15, 1974	883,000	883,000	4,722,000
April 15, 1963	541,000	541,000	20,255,000	October 15, 1974	903,000	903,000	3,819,000
October 15, 1963	553,000	553,000	19,702,000	April 15, 1975	923,000	923,000	2,896,000
April 15, 1964	566,000	566,000	19,136,000	October 15, 1975	944,000	944,000	1,952,000
October 15, 1964	579,000	579,000	18,557,000	April 15, 1976	965,000	965,000	987,000
April 15, 1965	592,000	592,000	17,965,000	October 15, 1976	987,000	987,000	—
October 15, 1965	605,000	605,000	17,360,000				

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than 5 years before maturity	½ %
More than 5 years but not more than 10 years before maturity	1 %
More than 10 years but not more than 15 years before maturity	1½ %
More than 15 years but not more than 20 years before maturity	2 %
More than 20 years before maturity	2½ %

* The several instalments of the Loan are payable in the currencies and in the amounts thereof determined as provided in Section 3.02 of the Loan Regulations.

SCHEDULE 2

DESCRIPTION OF THE PROJECTS

I. *Electric Power Project*

The extension of the electric power grid by the installation of circuit breakers, switch gear and other equipment necessary for the completion of 12 sub-stations serving the 110,000 volt primary transmission net, the installation of similar equipment in 7 sub-stations serving the 35,000 volt secondary transmission net, the provision of high tension porcelain insulators, lightning arrestors and other accessories for both the 110,000 and 35,000 volt transmission lines and the installation of circuit breakers, an instrument panel and accessories at the Konjšćina Steam Power Station near Zagreb.

II. *Coal Mining Project*

Modernization of seven coal mines by the installation of modern equipment and accessories for mining, excavating, conveying and handling of bituminous coal, brown coal and lignite from the underground and open cast mines. The names of the mines to be modernized are : Rasa, Kolubara, Kreka, Velenje, Tito-Banovici, Kakanj and Zagorje.

III. *Non-Ferrous Metal Development Project*

The development of the non-ferrous metals industry by the installation of additional machinery and equipment in the Bor Copper Mines and Smelter undertaking and the erection of a new electrolytic zinc plant at Trepca which will have an annual capacity for the production of about 12,000 tons of zinc ingots (and 40 tons of cadmium as a by-product) by the electrolytic process and about 20,000 tons of sulphuric acid by the contact process.

IV. *Industry Project*

The expansion of industry by the installation of machinery and equipment in sixteen industrial plants. The names of the plants and the type of improvement to be undertaken in each are as follows :

<i>Plant</i>	<i>Improvement</i>
a) <i>Metal Working Plants</i>	
i. Rade Koncar Electrical Machinery Plant	Expansion of existing capacity
ii. Litostroj Mechanical Engineering Equipment Plant	Expansion of existing capacity
iii. Franc Leskosek Mechanical Engineering Equipment	Expansion of existing capacity
iv. Svetozarevo Copper Cable and Wire Plant	Erection of a new plant for smelting, casting and rolling of copper ingots, for wire drawing and for lead and rubber covered cable and small conductor manufacturing
b) <i>Ceramic Plants</i>	
i. Paracin Hollow Glass Plant	Expansion of existing capacity
ii. Pojatno Ceramic Plant	Erection of a new plant for the production of tableware, tile and sanitaryware

Improvement

- c) *Chemical Plants*
- | | |
|---|--|
| i. Lukavac Soda-Ash Plant | Expansion of existing capacity |
| ii. Tusanj Salt Mine and Cleaning Plant | Opening a new mine with a capacity for the production of 300,000 tons of crude salt annually and the erection of a grinding, cleaning and separation plant |
- d) *Cement Plants*
- | | |
|----------------|---|
| i. Partizan | Expansion of existing capacity for each plant |
| ii. Prvoborac | |
| iii. Sar | |
| iv. Sloboda | |
| v. Pula | |
| vi. 10-Kolovoz | |
| vii. Anhovo | |
| viii. Beocin | |

V. Forest Products Project

The better utilization of forest products by the erection of new plants for the manufacture of plywood, wallboard, pulp and Kraft paper, the expansion of an existing pulp mill and the installation of modern equipment in several existing woodworking plants. The names of the plants and the type of improvement to be undertaken in each are as follows :

<i>Plant</i>	<i>Improvement</i>
a) Blazuj Plywood Plant	Erection of a new plant having a capacity of about 60,000 square feet of plywood per day.
b) Foca Wallboard Plant	Erection of a new plant having a capacity of 120,000 square feet of wallboard per day.
c) Dobojski Pulp and Kraft Paper Mill	Erection of a new mill having a capacity for the production of 20,000 tons of sulphate pulp and 18,000 tons of Kraft paper annually.
d) Prijedor Sulphite Pulp Mill	Expansion of existing capacity.
e) Mojkovac Furniture and Box Making Plant	Expansion of existing capacity.
f) Lola Ribar Plywood Plant	Expansion of existing capacity.
g) Several Small Flooring Plants	Replacement of obsolete equipment.

VI. Agriculture and Fisheries Project

The improvement of agriculture and fisheries by the importation of tractors and other agricultural machinery for use primarily in the production of grain and crops suitable for processing in industrial plants and the importation of marine engines, radio and sound equipment for fishing boats and refrigeration and processing equipment for fish processing plants.

VII. *Transport Project*

The modernization of transport by the importation of rolling stock, shop, handling and construction equipment for the railways, cranes for handling freight at two ports, Rijeka-Susak and Kardeljevo, and miscellaneous equipment for the Belgrade airport.

SCHEDULE 3

MODIFICATIONS OF THE LOAN REGULATIONS¹

For the purposes of this Agreement, the provisions of the Loan Regulations shall be deemed to be modified as follows :

(a) Section 3.01 shall be deemed to be modified as follows :

SECTION 3.01. *Currencies in Which Proceeds of Loan are to be Withdrawn.* The Borrower shall use reasonable efforts to purchase goods with the currencies of the countries from which such goods are acquired. The proceeds of the Loan shall, to the extent that the Bank shall so elect, be withdrawn from the Loan Account in the several currencies in which goods are paid for. The Bank shall be under no obligation to permit the proceeds of the Loan to be withdrawn in any currency except dollars.

(b) Section 3.04 shall be deemed to be modified as follows :

SECTION 3.04. *Currency in Which Commitment Charge is Payable.* The commitment charge shall be payable thirty-five per cent (35 %) in French francs, thirty-five per cent (35 %) in Swiss francs and thirty per cent (30 %) in pounds sterling.

(c) Section 3.05 shall be deemed to be modified as follows :

SECTION 3.05. *Valuation of currencies.* For the purpose of determining the equivalent (in terms of dollars) of any part of the Loan withdrawn in another currency, the value of such other currency shall be as reasonably determined by the Bank.

(d) The term "Project" as defined in Section 10.01 (11) of the Loan Regulations shall be deemed to refer to the "Electric Power Project," "Coal Mining Project," "Non-Ferrous Metal Development Project," "Agriculture and Fisheries Project," "Transport Project," "Forestry Products Project" and "Industry Project," or either of them, as the context may require.

¹ See p. 22 of this volume.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 6 DECEMBER 1950

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 158, p. 170.*]

Letter, dated 11 October 1951, from the Government of the Federal People's Republic of Yugoslavia to the Bank concerning the maximum debt to be incurred

EMBASSY OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA
WASHINGTON

October 11, 1951

International Bank for Reconstruction
and Development
1818 H Street N.W.
Washington, D.C.

Gentlemen :

Reference is made to the Loan Agreement of even date between the Federal People's Republic of Yugoslavia and the International Bank for Reconstruction and Development :

Representatives of the Federal People's Republic of Yugoslavia have recently had an opportunity of mutually considering with representatives of the International Bank the basis on which Yugoslavia is likely to achieve balance of payments equilibrium at a high level of economic activity. It is the firm intention of the Yugoslav Government to adopt economic policies which will permit it to achieve balance of payment equilibrium in the near future with a level of economic activity and trade which will make possible as high a standard of living for the people of Yugoslavia as can be secured within the available natural wealth of Yugoslavia.

Recognizing the need to utilize the borrowing capacity of the Federal People's Republic of Yugoslavia to finance a program of essential investment which will contribute to the achievement of its economic goals, representatives of the Yugoslav Government have carefully considered and reviewed, together with representatives of the International Bank, the amount of external borrowing which Yugoslavia should prudently undertake. On the basis of this review, they have concluded that the proper amount, from an economic point of view, which Yugoslavia should borrow externally during the period from September 30, 1950 until December 31, 1954, should not exceed the equivalent of \$ 200,000,000.

Accordingly, the Yugoslav Government hereby assures the International Bank that it will not, prior to December 31, 1954, unless both it and the International Bank other, wise agree, incur, assume or guarantee any external debt if the aggregate principal amount of its external debt, incurred after May 8, 1945 and existing on September 30,

1950 (as set forth in Schedule A¹ hereto), shall thereby be increased by an amount in excess of the equivalent of \$ 200,000,000.

The status, principal amounts and descriptions of all outstanding external debt incurred, assumed or guaranteed by the Yugoslav Government between May 8, 1945 and June 30, 1951, are set forth, as of June 30, 1951, in Schedule B² hereto. No material change in the matters set forth in such Schedule has occurred between June 30, 1951 and the date of this letter. None of the external debt of Yugoslavia as set forth in such Schedule is secured by any mortgage, pledge or other charge or priority, upon any property, assets, revenues or receipts of Yugoslavia, except as indicated in such Schedule.

For the purposes of this letter, the term external debt means any debt (including the entering into of a line of credit) payable in any medium other than the currency of Yugoslavia whether such debt is payable absolutely or at the option of the creditor in such other medium and shall include debt of any political sub-division of Yugoslavia or any Agency of Yugoslavia as that term is defined in the said Loan Agreement.

Federal People's Republic of Yugoslavia :

By (Signed) Vladimir VELEBIT

SCHEDULE A

External debt of Yugoslavia as of September 30, 1950 (Incurred after May 8, 1945)

	<i>Amount expressed in U.S. dollars³ (in thousands)</i>
NATIONALIZED PROPERTIES	
Belgium	7,160
France ⁴	14,312
Sweden	2,531
Switzerland	16,326
United Kingdom	10,632
Total nationalized properties	50,961
CREDITS FROM INTERNATIONAL ORGANIZATIONS	
International Bank for Reconstruction and Development	1,995
International Monetary Fund	9,000
Bank for International Settlements	3,500
Total credits from international organizations	14,495

¹ See below.

² See p. 26 of this volume.

³ These amounts shall be considered, for the purpose of this Schedule, as amounts outstanding irrespective of actual amounts outstanding on September 30, 1950.

⁴ Although the settlement for French nationalized properties was concluded subsequent to September 30, 1950, by agreement between the Bank and Yugoslavia this debt is treated as though it were outstanding on September 30, 1950 for the purpose of this Schedule.

	<i>Amount expressed in U.S. dollars (in thousands)</i>
CREDITS FROM UNITED STATES	
Export-Import Bank	55,000
CREDITS FROM UNITED KINGDOM	
£ 8,000,000 credit	22,400
Advance for timber	5,600
Revolving credit	14,000
Total credits from United Kingdom	42,000
CREDITS FROM SWITZERLAND	
Syndicate of Swiss banks	6,914
EGYPT—Cotton loan	8,040
NETHERLANDS—Ship credit	2,632
Total debt	180,042 ¹

SCHEDULE B

External debt of Yugoslavia as of June 30, 1951
(Incurred after May 8, 1945)

	<i>Amount expressed in U.S. dollars (in thousands)</i>
NATIONALIZED PROPERTIES	
Belgium	7,160
Denmark	145
France	14,312
Israel	364
Norway	30
Sweden	2,531
Switzerland	16,326
United Kingdom	9,215
Total nationalized properties	50,083

¹ Although a credit of \$35,000,000 from Germany was negotiated prior to September 30, 1950, by agreement between the Bank and Yugoslavia this credit is not included in the amount of debt outstanding on September 30, 1950 for the purpose of this Schedule.

*Amount expressed
in U. S. dollars
(in thousands)*

CREDITS FROM INTERNATIONAL ORGANIZATIONS

International Bank for Reconstruction and Development	496
International Monetary Fund	9,000
Bank for International Settlements ¹	3,500
Total credits from international organizations	12,996

CREDITS FROM UNITED STATES

Export-Import Bank	55,000
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CREDITS FROM UNITED KINGDOM

£ 8,000,000 credit	22,400
£ 4,000,000 credit	11,200
£ 3,000,000 credit	8,400
£ 2,000,000 credit	5,600
Revolving credit	14,000
Total credits from United Kingdom	61,600

NORWAY—food loan	280
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AUSTRIAN LOAN	10,000
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CREDITS FROM GERMANY

Medium-term	35,000
Short-term	15,000
Total credits from Germany	50,000

CREDITS FROM SWITZERLAND

Syndicate of Swiss banks ²	6,914
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CREDITS FROM BELGIUM

Belgian exporters	6,000
Belgian bank credit	14,000
Total credits from Belgium	20,000

EGYPT—Cotton Loan	3,200
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FRANCE—Army	14,286
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NETHERLANDS—Ship credit	2,632
Total debt	286,991

¹ This debt is secured by pledge of gold.

² This debt is secured in the amount of 10,000,000 Swiss francs by pledge of gold.

LETTER-AGREEMENT¹ BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA CONCERNING SPECIAL COMMITMENTS. WASHINGTON, 11 FEBRUARY 1952

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25 D. C.

February 11, 1952

Embassy of the Federal People's
Republic of Yugoslavia
Commercial Department
1600 Massachusetts Avenue, N. W.
Washington, D.C.

Gentlemen :

1. Please refer to Loan Agreement² Number 51 YU between Federal People's Republic of Yugoslavia and this Bank and to Loan Regulations Number 3³ of the Bank which are applicable to that Loan Agreement pursuant to the provisions of Section 2.02 thereof.

2. Section 4.02 of such Regulations provides that the Bank may, at the request of the Borrower, enter into special commitments ; and that the charge therefor shall be agreed upon between the parties. The Bank believes that a charge of $\frac{1}{2}$ of 1 % per annum (in addition to the charge of $\frac{3}{4}$ of 1 % per annum provided in Section 2.04 of the Agreement) is appropriate for such transactions.

3. The Bank has proposed uniform terms to all of its Borrowers, and in your case they are as follows :

(a) The charge specified in Section 4.02 of the Loan Regulations will be at the rate of $\frac{1}{2}$ of 1 % per annum on the outstanding portion of any special commitment entered into by the Bank at your request (in addition to the charge of $\frac{3}{4}$ of 1 % per annum provided in Section 2.04 of the Loan Agreement) ;

(b) Such charge will accrue from the date on which the Bank enters into such commitment to the date or dates on which such commitment is liquidated either by disbursement or cancellation ; and

¹ Came into force on 11 February 1952 by signature.

² See p. 4 of this volume.

³ See pp. 22 and 20 of this volume.

(c) Such charge will be payable 35 % in French francs 35 % in Swiss francs and 30 % in Pounds Sterling semi-annually (on April 15 and October 15 of each year in your case) together with other charges due under the Loan, in lieu of being debited to the Loan Account as a withdrawal therefrom as provided in Section 4.02 of the Regulations.

4. The Bank is suggesting that this charge be payable in the foregoing manner since it will be small in relation to other charges and we believe that this represents a more convenient and practical method of effecting payment.

5. If the foregoing terms are agreeable to you, please indicate your agreement by signing and returning the enclosed copy of this letter.

Sincerely yours,

Henry W. RILEY
Assistant Treasurer

Enclosure

Confirmed :

Federal people's Republic of Yugoslavia

By Milenko FILIPOVIC

Authorized Representative