

No. 3195

**CANADA
and
YUGOSLAVIA**

**Exchange of notes constituting an agreement concerning
settlement of claims arising out of the war. Belgrade,
25 and 29 March 1950**

Official text: English.

Registered by Canada on 27 March 1956.

**CANADA
et
YUGOSLAVIE**

**Échange de notes constituant un accord concernant le
règlement des créances nées de la guerre. Belgrade,
25 et 29 mars 1950**

Texte officiel anglais.

Enregistré par le Canada le 27 mars 1956.

No. 3195. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN CANADA AND YUGOSLAVIA CONCERNING SETTLEMENT OF CLAIMS ARISING OUT OF THE WAR. BELGRADE, 25 AND 29 MARCH 1950

I

The Canadian Legation in Yugoslavia to the Ministry of Foreign Affairs of Yugoslavia

CANADIAN LEGATION

No. 106

Belgrade, March 25, 1950

The Canadian Legation presents its compliments to the Ministry of Foreign Affairs and has the honour to refer to the understanding reached between representatives of the Federal People's Republic of Yugoslavia and the Canadian Government with respect to the settlement of the indebtedness of the Government of Yugoslavia to the Government of Canada for Military Relief Supplies furnished to the Government of Yugoslavia by the combined military authorities of the United States, the United Kingdom and Canada.

The indebtedness of the Government of Yugoslavia to the Government of Canada amounts to U.S. \$226,242.00, being Canada's share of the combined bills for the supplies furnished under this arrangement. The Canadian Government recognizes, however, the substantial losses in human lives and material suffered by the people of Yugoslavia during the last war against the common enemy and the subsequent difficult post war economic conditions in Yugoslavia. The Canadian Government is accordingly prepared, in full settlement of this claim, to accept in Yugoslav dinars the sum of U.S. \$150,000.00 to be deposited to the credit of a special account of the Government of Canada with the National Bank of Yugoslavia in four equal annual instalments on April 1st of each year 1950 to 1953 inclusive. Yugoslav dinars so transferred to the Canadian Government will be credited under this settlement in terms of U.S. dollars at the official rate of exchange prevailing at the time of each transfer between the Yugoslav dinar and the U.S. dollar.

¹ Came into force on 29 March 1950 by the exchange of the said notes.

It is understood that the payments in Yugoslav currency referred to above may be used by the Government of Canada for any current operating expenses of the Canadian diplomatic or consular mission in Yugoslavia or for the purchase of such real property and improvements to real property in Yugoslavia for diplomatic or consular purposes, excepting the purchase of commodities for export, as the Government of Canada may desire. It is further understood that with respect to the Yugoslav dinars to be paid by the Government of Yugoslavia as above, the Government of Yugoslavia will grant the Government of Canada privileges and rates of conversion in the event of any future currency conversion, no less favourable than those granted generally to nationals of Yugoslavia and in no event less favourable than those granted to the Government of any third country. The Government of Yugoslavia agrees that, should any future currency conversion nevertheless result in inequity to the Government of Canada with respect to any amount of such Yugoslav dinars, the privileges and rates of conversion to be applied to such amount of Yugoslav dinars shall be subject to agreement between the two Governments.

In case the Government of Canada wishes to acquire any property located in Yugoslavia the Government of Yugoslavia will at any time or times, as requested by the Government of Canada, enter into negotiations, and use its best efforts consistent with public policy, to reach an agreement with the Government of Canada whereby there will be delivered to the Government of Canada the properties, improvements, or furnishings which the Government of Canada desires or its representatives have selected. Representatives of the Government of Canada may at their discretion conduct discussions directly with owner of property or with contractors for improvements or furnishings as to fair terms and prices prior to the delivery of such property or improvements or furnishings to the Government of Canada.

The Canadian Legation wishes also at this time to record the understanding of the Government of Canada and the Government of Yugoslavia that this settlement is complete and final and both Governments agree that, except as set forth in this Note, there are no claims or debts outstanding between the two Governments incurred up to the date of this Note arising out of the late war.

If the present Note correctly sets out the understanding reached between the representatives of the two Governments in regard to the foregoing, and the Yugoslav Government is willing to accept the above provisions, the Canadian Legation has the honour to suggest that this Note and the Ministry of Foreign Affairs reply to that effect be regarded as constituting an agreement between the two Governments in this matter.

The Canadian Legation avails itself of this opportunity of renewing to the Ministry of Foreign Affairs the assurance of its highest consideration.

II

*The Ministry of Foreign Affairs of Yugoslavia to the Canadian Legation
in Yugoslavia*

MINISTRY OF FOREIGN AFFAIRS

No. 45974

Belgrade, March 29th, 1950

The Ministry of Foreign Affairs of the Federal People's Republic of Yugoslavia presents its compliments to the Canadian Legation and has the honour to refer to the understanding reached between the Canadian Government and the Government of the Federal People's Republic of Yugoslavia with respect to the settlement of the indebtedness of the Government of the Federal People's Republic of Yugoslavia to the Government of Canada for military relief supplies furnished to the population of Yugoslavia by the combined military authorities of the United States, the United Kingdom and Canada.

[See second, third and fourth paragraphs of note I]

The Ministry of Foreign Affairs of the FPR Yugoslavia wishes also at this time to record the understanding of the Government of Canada and the Government of FPR Yugoslavia that this settlement is complete and final and both Governments agree that, except as set forth in this Note, there are no claims or debts outstanding between the two Governments incurred up to the date of this Note arising out of the late war.

The Ministry of Foreign Affairs is authorized to inform the Legation of Canada that the Government of the FPR Yugoslavia agrees that the present Note and the identic Note of the Legation of Canada constitute an agreement between the two Governments concerning the settlement of the indebtedness of the Government of the FPR Yugoslavia to the Government of Canada for military relief furnished to the population of Yugoslavia by the military authorities of the United States, United Kingdom and Canada, and that the agreement is effective from the date on which these notes are exchanged.

The Ministry of Foreign Affairs avails itself of this opportunity of renewing to the Canadian Legation the assurance of its high consideration.
