



Treaty Series No. 17 (1951)

# Exchange of Notes

between the Government of the United Kingdom  
and the Government of Yugoslavia

granting a credit of £2,000,000 to Yugoslavia  
for the purchase of raw materials

[ with Appendices ]

London, 11th January, 1951

*Presented by the Secretary of State for Foreign Affairs to Parliament  
by Command of His Majesty*

LONDON  
HIS MAJESTY'S STATIONERY OFFICE  
TWO PENCE NET

Cmd. 8172

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE  
UNITED KINGDOM AND THE GOVERNMENT OF YUGOSLAVIA  
GRANTING A CREDIT OF £2,000,000 TO YUGOSLAVIA FOR  
THE PURCHASE OF RAW MATERIALS**

*London, 11th January, 1951*

No. 1

*The Secretary of State for Foreign Affairs to the  
Yugoslav Ambassador*

*Foreign Office,*

Your Excellency,

*11th January, 1951.*

I HAVE the honour to propose the following arrangements for the purpose of giving effect to the decision of His Majesty's Government in the United Kingdom to make available to the Government of the Federative People's Republic of Yugoslavia a credit of £2,000,000 for the purchase, through persons carrying on business in the United Kingdom, of raw materials to be agreed between the two Governments:—

1. The Export Credits Guarantee Department (hereinafter called "the Department") shall guarantee and purchase at par Promissory Notes of the Government of the Federative People's Republic of Yugoslavia in the form shown in Appendix "A" hereto up to a total of £2,000,000 in principal amount subject to the following conditions:—

- (a) the Promissory Notes shall be issued by the Ministry of Finance of the Government of the Federative People's Republic of Yugoslavia and made payable as to principal and interest to bearer at the Bank in London indicated on the Promissory Note;
- (b) the Promissory Notes shall be expressed in sterling in sums of £5,000 or multiples thereof and shall become payable as follows:—

- £300,000 on 30th June, 1956
- £300,000 on 31st December, 1956
- £350,000 on 30th June, 1957
- £350,000 on 31st December, 1957
- £350,000 on 30th June, 1958
- £350,000 on 31st December, 1958;

- (c) the Promissory Notes shall carry interest at the rate of  $4\frac{1}{2}$  per cent. per annum calculated from the date of endorsement by the Department until the date of maturity of the Note and payable on the date of maturity of the Promissory Note. The Promissory Notes shall be stamped at the expense of the Government of the Federative People's Republic of Yugoslavia;
- (d) every contract in respect of which payment is to be made under this Exchange of Notes shall be notified to the Department in the form shown in Appendix "B" hereto. If the particulars furnished in the form of Appendix "B" should not prove sufficient to satisfy the Department, the Department shall have the right to see that contract;
- (e) the Government of the Federative People's Republic of Yugoslavia shall present to the Department for endorsement from time to time

Promissory Notes to an amount approximately equal (after taking into account any balance in the special account mentioned in paragraph 2 below) to the total of the payments falling due in the near future as set out in a list to be furnished by the Government of the Federative People's Republic of Yugoslavia which shall be based upon the particulars set forth in the form referred to in paragraph (d).

2. On compliance with the conditions set out in paragraph 1, the Department shall, within one week of any Promissory Notes being tendered to them, guarantee and purchase those Promissory Notes at par and shall pay the proceeds into a special account opened in favour of the Government of the Federative People's Republic of Yugoslavia at the Bank in London indicated on the Promissory Note. The money in this special account shall be subject to withdrawal only by means of payment orders signed by the Government of the Federative People's Republic of Yugoslavia and countersigned by the Department.

3. I have the honour further to propose that, if the provisions set forth above are acceptable to the Government of the Federative People's Republic of Yugoslavia, this Note, together with your Excellency's reply to that effect, shall constitute an Agreement between our respective Governments which shall come into force on this day's date.

I have, &c.  
ERNEST BEVIN.

APPENDIX " A "

No..... Date of Maturity.....  
£..... £.....

THE MINISTRY OF FINANCE OF THE  
FEDERATIVE PEOPLE'S REPUBLIC OF YUGOSLAVIA

Issued pursuant to an Agreement dated..... 195  
between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Federative People's Republic of Yugoslavia.

The Ministry of Finance of the Federative People's Republic of Yugoslavia promise to pay to Bearer on the.....(without days of grace) the sum of £ ( ) and also to pay interest thereon in Sterling at the rate of 4½ per cent. per annum from the date of the endorsement of the Note by the Export Credits Guarantee Department of the Board of Trade until the maturity of this Note.

For and on behalf of the Ministry of Finance of the Government of the Federative People's Republic of Yugoslavia.

Belgrade,

.....195  
Payable as to Principal and Interest at  
London.

Bank, Ltd.,

APPENDIX " B "

REGISTER OF CONTRACTS

Serial No.....

The following are details of a contract proposed for payment under the terms of the Agreement dated.....between the Government of the Federative People's Republic of Yugoslavia and the Government of the United Kingdom of Great Britain and Northern Ireland:—

1. Name and Address of the United Kingdom Seller:
2. Name and Address of the Yugoslav Buyer:
3. Date of Contract:
4. Value of Contract:
5. Terms of payment:
6. Short description of goods:
7. Country from which the goods are to be imported:

This is to certify that the above are details of a contract for raw materials, the supply of which has been agreed between the parties to the Agreement referred to above.

*Signed*.....  
for the Yugoslav Government

*Date*.....

No. 2

*The Yugoslav Ambassador to the Secretary of State  
for Foreign Affairs*

*Embassy of the Federative People's  
Republic of Yugoslavia,  
London, 11th January, 1951.*

Your Excellency,

I HAVE the honour to acknowledge the receipt of your Note of 11th January, 1951, of which the text reads as follows:—

[As in No. 1]

I have the honour to confirm that the provisions set out in your Note are acceptable to the Government of the Federative People's Republic of Yugoslavia, and that your Excellency's Note and the present reply shall constitute an Agreement between our two Governments.

Please accept, &c:

J. BRILEJ.