



Treaty Series No. 63 (1951)

# Exchange of Notes

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

regarding a credit of £4,000,000 for Yugoslavia  
for the purchase of raw materials

[ with Appendices ]

London, 10th May, 1951

*Presented by the Secretary of State for Foreign Affairs to Parliament  
by Command of His Majesty  
August 1951*

LONDON  
HIS MAJESTY'S STATIONERY OFFICE  
THREEPENCE NET

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF  
THE UNITED KINGDOM AND THE GOVERNMENT OF  
YUGOSLAVIA REGARDING A CREDIT OF £4,000,000 FOR  
YUGOSLAVIA FOR THE PURCHASE OF RAW MATERIALS**

*London, 10th May, 1951*

No. 1

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

Your Excellency,

*Foreign Office, 10th May, 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 £4,000,000 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 £4,000,000 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:—

- £600,000 on 30th June, 1956,
- £600,000 on 31st December, 1956,
- £700,000 on 30th June, 1957,
- £700,000 on 31st December, 1957,
- £700,000 on 30th June, 1958,
- £700,000 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.  
HERBERT MORRISON.

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 Yugo-  
slavia 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 Bank, Ltd., London.

Appendix "B"  
Register of Contract

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*

Your Excellency,

*London, 10th May, 1951.*

I have the honour to acknowledge the receipt of your Note of 10th May, 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.

I avail, &c.

JOŽA BRILEJ.

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