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INFORMATION REPORT

CD NO.

COUNTRY Czechoslovakia/Yugoslavia

DATE DISTR. 21 JUL 49

SUBJECT Czech-Yugoslav Trade Treaty for 1949

NO. OF PAGES 24

PLACE ACQUIRED [REDACTED] 25X1A

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NO. OF ENCLS. (LISTED BELOW)

DATE OF INFO. [REDACTED] 25X1C

SUPPLEMENT TO REPORT NO.

25X1

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Ministry of Foreign Trade

1. Section V/I

Yugoslavia—Agreement Concerning Exchange of Goods and Payment for Goods

Reviewed by Dr. Sestak / Extension 197/

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On 1 March 1949 an agreement was signed providing for an exchange of goods between Czechoslovakia and Yugoslavia during the period 1 March 1949 to 31 December 1949.

New contingent agreements are contained in the attached lists of goods, A/ imports and B/ exports.

The supplement to export List B contains consumers goods primarily and, in that category, there are 50 items covering household necessities totaling 55,000,000 Kcs, 51 items for agriculture totaling 20,500,000 Kcs, 52 items of sports goods, educational aids, and musical instruments totaling 21,500,000 Kcs, and 126 items of office equipment totaling 12,000,000 Kcs. The goods which are a part of this list, are covered in letters exchanged between the delegates on 1 March 1949 and which are attached to the agreement. Exchanges between individual items in this category can be achieved only after mutual agreement has been reached.

According to Agreement 4, purchasing and sales contracts must be completed within three months of the signing of the agreement, that is by 31 May 1949.

agreed in letters between the delegates on 1 March 1949.

For the Minister
(Signature illegible)

2. The Ministry of Foreign Trade

Č.j.II/1-3302/58-1949

Praha, ~~16~~ March, 1949

TO THE PRESIDIUM OF THE GOVERNMENT

IN PRAHA

PROTOCOL FOR THE RESOLUTION OF THE GOVERNMENT REGARDING THE MERCHANDISE
EXCHANGE AGREEMENT BETWEEN THE REPUBLIC OF CZECHOSLOVAKIA AND THE FEDERATED
PEOPLE'S REPUBLICS OF YUGOSLAVIA!

Reviewed by Dr. Hacova / Extension 468/

Commercial-political negotiations between the Czechoslovak and
Yugoslav delegation in Belgrade resulted in the following documents covering
the agreement:

- 1 "Merchandise Exchange Agreement between Czechoslovakia and Yugoslavia"
ratified on 1 March 1949 and including List A regarding merchandise exports
from Yugoslavia to CSR and List B regarding merchandise exports from CSR
to Yugoslavia, and, two letters of the Chairman of the Czechoslovak Trade
Delegation addressed to the Chairman of the Yugoslav Trade Delegation.
- 2 "The Payment Agreement For Merchandise Exchanged Between CSR and Yugo-
slavia" is ratified on 1 March 1949 and three letters of the Chairman of the
Czechoslovak Trade Delegation,
- 3 "The Agreement Regarding Payment Other Than For Merchandise" ratified on
1 March 1949 together with three letters of the Chairman of the Czechoslovak
Trade Delegation.

The agreements shall be valid from 1 March 1949 to 31 December 1949.
Should no new agreement be concluded by the end of this year, the validity
of these agreements shall be extended for three months.

The Ministry of Foreign Trade together with the Ministry of
Foreign Affairs submit the above mentioned agreements, together with enclo-
sures, and a special report regarding the negotiations in Belgrade, and
propose to the Government the passage of the following resolutions:

Following the resolution passed during the 21st meeting on 16 Novem-
ber 1948 regarding the despatch of our delegation for the purpose of negotiating
commercial-political questions with Yugoslavia (the letter of the Presidium of
the Government dated 16 November 1948 c.j.1575/48), the Government agrees to
accept the proposal of the Minister of Foreign Trade and of the Minister of
Foreign Affairs specified in the report of the Ministry of Foreign Trade
dated 16 March 1949 c.j.II/1-3302/58-1949 and approves,

A/ "The Merchandise Exchange Agreement Between the Republic of Czechoslovakia
and The Federated People's Republics of Yugoslavia" ratified on 1 March 1949,
together with List A, concerning merchandise exports from Yugoslavia to Czecho-
slovakia, and List B, concerning merchandise exports from Czechoslovakia
to Yugoslavia, and two letters of the Czechoslovak Trade Delegation addressed
to the Chairman of the Yugoslav Trade Delegation.

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CONFIDENTIAL in accordance with the
letter of 16 October 1978 from the
Director of Central Intelligence to the
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Date:

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By:

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~~CONFIDENTIAL~~ and the Federated People's Republics of Yugoslavia ratified on 1 March 1949, together with three letters of the Chairman of the Czechoslovak Trade Delegation,

C "The Agreement Regarding Payments Other Than For Merchandise" between the Republic of Czechoslovakia and the Federated People's Republics of Yugoslavia" ratified on 1 March 1949 together with three letters of the Chairman of the Czechoslovak Trade Delegation.

For action to the Minister of Foreign Trade and the Minister of Foreign Affairs and other participating members of the Government;

The Minister:

Dr. Gregor v.r.

Y.J. II/1-3302/58-1949

TO

ALL ADMINISTRATIVE OFFICES CLASSIFIED "A".

THE NATIONAL BANK OF CZECHOSLOVAKIA IN PRAHA

for Information

The Minister:

Dr. Gregor v.r.

Commercial-political negotiations regarding the exchange of merchandise between Czechoslovakia and Yugoslavia in 1949 were opened on 24 November 1948, in Belgrade. From the very beginning there were great differences of opinion. The Yugoslav Delegation expected the volume of this agreement to be 2.5 billion Kcs, while the Czechoslovak delegation, because of production and delivery capacity, would not agree to more than 1,6 billion Kcs for both signatories.

In addition, the Yugoslav delegation offered merchandise of secondary importance for us such as wine, distillate, tobacco, fruit, and vegetables, amounting to more than 50 percent of the total and did not sufficiently satisfy our demand for more important articles such as non-ferrous metals, iron ore, pyrites and similar minerals, ~~and~~ corn, and fodder. In the course of the discussions we managed to minimize existing differences, but still the Yugoslav offer of non-ferrous metals has not been satisfying for us. The Yugoslav delegation indicated that, to improve their offer, Czechoslovakia would have to deliver to Yugoslavia more coke, rolled material, steel machinery, fire-resisting-material, and tires, and it would also have to supplement its offer of special military material, and trinitrotoluene. Because the Czechoslovak delegation could not satisfy this specific demand without previously consulting the Prague office, negotiations were broken off on 20 December 1948.

In January 1949, the Czechoslovak delegation prepared new lists of merchandise to be imported and exported and some of the Yugoslav demands were included in them. The Czechoslovak export list quota was somewhat increased for all the articles formerly demanded by the Yugoslavs, with the exception of fire-resisting material. Special military demands, and trinitrotoluene ^{were} not included in the list.

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Negotiations were ~~held~~ ~~on~~ ~~23~~ ~~December~~ ~~1948~~, in Belgrade. After one month of negotiating, which was rather difficult because of Yugoslav insistence on their previous demands and their stubborn refusal to meet Czechoslovak demands in regard to the equalization of import and export of economically important merchandise, it seemed that the negotiations would be broken off entirely, but finally the "Agreement Regarding Merchandise Exchange between the Republic of Czechoslovakia and the Federated People's Republics of Yugoslavia" and the "Agreement Regarding Payments Other Than for Merchandise between Czechoslovakia and Yugoslavia" were ratified on 1 March 1949.

The Merchandise Exchange Agreement is to be valid until 31 December 1949 and the volume amounts to approximately 1,540 billion Kcs for both signatories.

According to List A, Yugoslavia will supply Czechoslovakia with the following economically important merchandise in the amount of one billion Kcs:

FOODSTUFFS, corn, oil, oil-cake, meat, poultry, and eggs	238 million Kcs
LEATHER, raw leather and tannin	31 million Kcs
TEXTILES, hemp and tow	112 million Kcs
CHEMICALS, various chemical and raw materials	30 million Kcs
TIMBER	80 million Kcs
MINERALS AND METALS, iron ore, chromite, pyrites, ferro-alloys, bauxite, mercury	122 million Kcs
NON-FERROUS METALS, lead, copper, zinc, and bismuth	241 million Kcs
	<hr/>
TOTAL	994 million Kcs

Yugoslavia will also supply Czechoslovakia with the following merchandise of secondary importance:

FOODSTUFFS, apples, dried plums, grapes, nuts, figs, fruit pulp, fruit juice, fish, marmalade, wine, distillate, and molasses	264 million Kcs
TOBACCO	120 million Kcs
LEATHER, raw furs, pigskin	31 million Kcs
CHEMICALS, assorted chemical products	10 million Kcs
MINERALS, barium, plaster of Paris	3 million Kcs
OTHER MATERIALS AND PRODUCTS, horns and hoofs, sea mushrooms, books, periodicals, merchandise displayed at the Prague Fair	14 million Kcs
	<hr/>
TOTAL	442 million Kcs

In addition to the above lists there is a quota of 100 million Kcs

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and non-ferrous products and half finished products, other metallurgical products	"
METAL PRODUCTS, machinery, automobiles, electric m motors, cables	"
CHEMICAL PRODUCTS, machinery, a	"
PAPER, cellulose	"
CERAMICS, fire-resisting material, electro- porcelain, graphite products	"
RUBBER, TEXTILES, tires, felt	"
GLASS, sheet glass, special glass	"
TOTAL	million Kcs

Czechoslovakia will supply Yugoslavia with the following goods of importance:

[REDACTED]	10 million Kcs
[REDACTED]ails, screws, chains, welding electrodes, metal sieves	15 million Kcs
Other METAL PRODUCTS, implements and tools, pumps, automobile spare parts and equipment, telecommunication equipment, electro-technical equipment, optical instruments, agricultural machinery and light industry products	240 million Kcs
CHEMICAL PRODUCTS	26 million Kcs
PAPER, different qualities of paper and paper products	4.5 million Kcs
CERAMICS, clays, hygienic earthenware, tiles, porcelain, pencils, graphite, asbestos products	95 million Kcs
[REDACTED]	5 "
[REDACTED]	13 "
[REDACTED]musical instruments, books, periodicals, merchandise displayed at the fair	41.5 "
TOTAL	450. million Kcs

In addition to the above, there is a quota of 100 million Kcs for merchandise not mentioned in the list.

In the course of negotiations, we complied with the request of Yugoslavia and consolidated separate Czechoslovak consumers goods items into four distinctive categories. In order to assure that, within the framework of these categories, the particular Czechoslovak merchandise to be exported is clearly understood, letters were exchanged between the chairmen of both delegations through which it was agreed that any transactions within the framework of these categories can be made only if both

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actions.

Both Lists A and B are to be understood as obligatory deliveries (Article 3 of the agreement) and contracts for sales within the framework of agreed quotas must be concluded within three months, except for seasonal merchandise (Article 4). Other articles in the text of the agreement correspond to texts of previous agreements.

Our delegation also negotiated terms of agreement regarding the status of delegates of privileged companies in both countries. The Yugoslav demand did not correspond to our proposal and was based on the establishment of a central commercial representation to which all delegates would be subordinated both administratively and disciplinarily. Since no agreement could be reached which was satisfactory to both countries, the chairmen of both delegations agreed that, until the end of trade negotiations, the present status would continue and that both countries would guarantee that the principle of reciprocity is strictly adhered to in accordance with valid legal arrangements of both countries.

According to the Article 2 of the agreement regarding payments between the two countries, the so-called manipulation credit is fixed at 200 million Kcs. In this respect it was agreed between both chairmen that the said credit should be increased by 50 million Kcs between 1 March 1949 and 30 September 1949. The purpose of this arrangement is to enable exchange of Czechoslovak merchandise in periods of time when Yugoslav deliveries, because of their seasonal character, cannot be fulfilled.

Also, letters were exchanged, to confirm that the official rate of exchange of the Czechoslovak crown and the US dollar in Czechoslovakia shall be 50 to 1 and, at the same time, provisions were made in case this ratio is changed.

Further letters were exchanged to confirm the agreement regarding the manner of payment by letters of credit, which must be established 14 days prior to dispatching merchandise, and 30 percent of the purchase price must be paid in advance.

The agreement regarding payments other than for merchandise specifies establishment of a special account for payments as outlined in Article 2 as well as other directives with regard to such payments.

Letters were exchanged to confirm the agreement regarding payments for transportation, financing of tourist trips from Czechoslovakia to Yugoslavia, and remittances by Yugoslav citizens in Czechoslovakia including liquidation of personal and landed property, and to confirm the agreement stating that Yugoslavia will aid transportation of Czechoslovak merchandise by giving the same advantages offered by any other country in questions of transportation by land and sea.

The Merchandise Exchange Agreement and the Payment Agreement will come into force on the day of ratification, that is on 1 March 1949, and both will be valid until December 31, 1949. If no other agreement is

agree to:

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Both signatories recognize the Trade and Payment Agreement, ratified on 14 November 1928, with the exception of those customs regulations promulgated in subsequent agreements which are not in accord with post-war economic conditions, to be a satisfactory mutual trade arrangement unless the signatories should agree to replace this agreement by another which is

Exchange of merchandise will be carried out according to Lists A and B, both of which are a part of this agreement. additional lists may be agreed upon, extending

Article 3.

Both signatories are obliged to insure the delivery of merchandise according to Lists A and B.

Article 4.

Both signatories will take necessary measures to guarantee that, between importers and exporters of the Czechoslovak Republic and Yugoslavia, necessary contracts of sale will be negotiated and enforced within the framework of stipulated quotas contained in List A and B.

According to the Article 1 of this agreement, contracts for sales and purchases will be concluded within three months. In exceptional cases, contracts for sales and purchases may be concluded in the course of the validity of this agreement, especially in the case of seasonal goods or quotas described as "various". Following the conclusion of contracts between importers and exporters, a special commission established according to Article 10 of this agreement will review special protocol price and delivery terms of concluded contracts.

Article 5.

The Government of the Czechoslovak Republic will confirm import and export licenses or permits to authorized import and exports companies for merchandise enumerated in Lists A and B in corresponding amounts and prices (total values) mentioned in both lists. The Yugoslav Government will grant import and export licenses to authorized import and export companies for merchandise enumerated in Lists A and B in amounts and prices (total values) mentioned in both lists.

Article 6.

Merchandise exported from Yugoslavia to Czechoslovakia will be delivered free of any charges to the Yugoslav border or FOB any Yugoslav river or seaport.

Merchandise exported from the Czechoslovakia to Yugoslavia will be delivered free of any charges to the Czechoslovak border or FOB the Czechoslovak river port on the Danube.

Article 7.

As to the quotas enumerated in Lists A and B, no other compensations will be permitted.

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Payments resulting from exchanges of merchandise will be regulated according to the Agreement on Payments for Merchandise which is part of the agreement.

Article 9.

Prices enumerated in the attached Lists A and B will be negotiated directly between importers and exporters of both countries. If difficulties arise during these negotiations, any misunderstandings shall be mediated by mutual agreement between the Chairman of the Czechoslovak part of the Commission to be established according to Article 10 of this agreement, together with the Commercial Attache of Yugoslavia or with the Chairman of the Yugoslav Delegation in the Commission. If the dispute is not settled within 15 days, the Commission itself shall decide.

Article 10.

For the purpose of facilitating the exchange of merchandise between both countries, a special Commission will be established to which each signatory will nominate three members whose responsibility will be:

- 1 to remove any difficulties arising out of merchandise exchanges in regard to price and delivery terms.
- 2 to insure that importers and exporters of both countries conclude their respective contracts on time as outlined in Article 4, paragraphs 2 and 3 of this agreement.
- 3 to insure that merchandise is delivered within the time limits fixed by the terms of the respective contracts,
- 4 to insure that the terms of this agreement are strictly adhered to and to suggest proposals for the removal of any obstacles which may hinder the exchange of merchandise.
- 5 to suggest possible changes or supplements to quotas enumerated in Lists A and B.

The Commission will be nominated within 45 days after the ratification of this agreement and will meet alternately in Prague and in Belgrade every three months. The chairmen of the Czechoslovak and Yugoslav delegations to this Commission may summon a meeting at any time if both of them agree. The location of these additional meetings will be arranged at the time.

Article 11.

Quotas termed as "various" in both lists will usually be applied to merchandise imported and exported which is not otherwise specified in Lists A and B, but, if both signatories agree, merchandise from Lists A and B may also be included.

Article 12.

This agreement will be valid from the day it is ratified, and its validity will expire 31 December 1949. If at this time no other new exchange agreement has been concluded, the validity of this agreement will be extended for another three months. Deliveries of merchandise under contracts made according to this agreement between importers and exporters of both countries may be made even after the expiration of the 31 December 1949 time limit. If after the expiration of the validity of this agreement, a balance remains to the benefit of either signatory, both of them

shall discuss within three months the manner and conditions of settling the balance. The balance shall be paid in merchandise within three months after agreement has been reached.

Article 13.

This agreement was prepared in two originals, in the Czech and Serbo-Croatian languages, each of which is an exact translation of the other.

Belgrade, 1 March 1949

For the Republic of Czechoslovakia
 Ing. Pleva v.r.

For the Federated People's
 Democratic Republic of
 Yugoslavia:

Nikola Popovic v.r.

5.

L I S T A . A .

	<u>Quantity</u>	<u>Value in 1,000 Kcs.</u>
1. Corn	54,000 tons	
2. Bran	1,000 "	
3. Fresh grapes	1,000 "	
4. Winter apples	7,600 "	
5. Nuts in shells	200 "	
6. Carbb	200 "	
7. Figs		500
8. Fruit Extract		12,000
9. Marmalade		13,000
10. Onions		4,000
11. Garlic		1,000
12. Dried plums		30,000
13. Oil cake	5,000 "	
14. Wine Distillate	200 "	
15. Wine	2,800 "	
16. Mill refuse		5,000
17. Fruit pulp	600 "	
18. Various agricultural products		12,000
19. Pork meat		45,000
20. Dressed poultry		15,000
21. Mutton and lamb meat		15,000
22. Fresh eggs		10,000
23. Sea fish, fresh and salted		4,000
24. River fish		12,000

		<u>Value in 1,000 U.S. Dollars</u>
25.	Fish canned in oil	10,000
26.	Sponge	3,000
27.	Horns and Hoofs	3,000
28.	Sheep skins	40 tons
29.	Goat skins	40 tons
30.	Kid skins	60 tons
31.	Lamb skins	100 tons
32.	Deer and other skins	25,000
33.	Pig skin	200,000 sq. feet
34.	Tobacco	1,500 tons
35.	Tow and hemp	2,500 tons
36.	Green tow and hemp	2,000 tons
37.	Timber	80,000
38.	Potassium methyl-sulphate	20 tons
39.	Magnesium sulphate	600 tons
40.	Tartaric acid	p.m.*
41.	Glycerine	100 tons
42.	Dry distillate products	3,500
43.	Formaldehyde	200 tons
44.	Purple dye	150 tons
45.	Tannin	500 tons
46.	Pyrite extracts	1,500
47.	Etherial oils	2,000
48.	Insecticides for industrial purposes	1,500
49.	Calcium soda	2,000 tons
50.	Medical herbs	3,000
51.	Aromatic herbs	500
52.	Opium	3 tons
53.	Pharmaceutical products	2,000
54.	Various chemical products	5,000
55.	Barite	1,000 tons
56.	Amorphous magnesite	150 tons
57.	Caustic magnesite	2,000

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	<u>Quantity</u>	<u>Value in 1,000 Kus.</u>
58. Roasted gypsum	1,000 tons	
59. Pyrites and concentrates	70,000 tons	
60. Iron ore	80,000 tons	
61. Chromium ore concentrate	8,000 tons	
62. Bauxite	3,000 tons	
63. Ferrochrome	250 tons	
64. Lead	6,700 tons	
65. Copper	2,500 tons	
66. Raw zinc	400 tons	
67. Mercury	80 tons	
68. Bismuth	10 tons	
69. Ferromanganese	p.m.	
70. Books, periodicals, domestic art products		3,000
71. Merchandise displayed at the fair		5,000
72. Various products		100,000

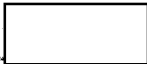
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LIST B.

	<u>Quantity</u>	<u>Value in 1,000 Kcs</u>
1. Coke	190,000 tons	-
2. Powdered coke	20,000 tons	
3. Rolled material	18,000 tons	
4. Refined steel and its products	2,000 tons	
5. Steel products including forgings and pressed products	280 tons	
6. Non-ferrous metals and its semi-finished products	200 tons	
7. Steel and cables	500 tons	
8. Nails	400 tons	
9. Sheet-metal rivets	200 tons	
10. Hard metal and hard metal tools		2,000
11. Forged chains		750
12. Welding electrodes		2,500
13. Metal sieves, excluding those made from phosphorus bronze		2,500

14. Cylinders for rolling mills	15,000
15. Various metallurgical products and semi-finished products	10,000
16. Steel cables	20,000
17. Instruments for metal testing	16,000
18. Instruments for wood working, and an assortment of saw blades	7,500
19. Metal tubing	1,000
20. Boiler fittings	7,000
21. Wood working machines, including spare parts	10,000
22. Machine tools including spare parts	15,000
23. Diesel rollers and cement mixers	8,000
24. Converters and similar equipment	10,000
25. Tractors including spare parts	5,000
26. Machinery and spare parts for the chemical industry	5,000
27. Leather and rubber industry machinery	1,500
28. Various pumps and equipment for gasoline stations	3,000
29. Equipment for distillation and refining of oil	10,000
30. Various machinery and spare parts	25,000
31. Motor vehicles:	
a/ trucks, 7 ton, with spare parts	80,000
b/ buses and spare parts	30,000
c/ automobiles and spare parts	20,000
d/ motorcycles and spare parts	5,000
32. Semi-finished products for production of trucks	12,500
33. Mechanical equipment for motor vehicles	15,000
34. Electrical equipment for motor vehicles	10,000
35. Machinery for high frequency metal hardening	2,000
36. Electrical measuring instruments	2,000
37. Electrical welding machines and weldings transformers	2,500
38. Magnets	1,000
39. Telecommunication equipment	30,000
40. Radio telegraph equipment	3,000
41. Low-frequency switchboards	1,000
42. Electro-installation equipment, including steel insulation pipes	8,000

43.	Electro-installation material		
44.	Cables and electrical conductors		5,000
45.	Optical and mechanical instruments and tools		7,500
46.	Electric rectifiers		500
47.	Various electro-mechanical equipment, machinery, tools, instruments, and spare parts		15,000
48.	Detonators		4,000
49.	Agricultural machinery and spare parts		25,000
50.	Kitchen utensils and various material for trades		55,000
51.	Various agricultural necessities		10,500
52.	Athletic equipment and musical instruments		21,500
53.	Miners lamps and other lamps		2,000
54.	Fireengines and spare parts		3,000
55.	Kitchen equipment		4,000
56.	Machinery for laundries and dye factories		4,000
57.	Lenses, including frames		1,500
58.	Fittings and locks		3,000
59.	Dental instruments and tools		2,000
60.	Respiration instruments		2,000
61.	Radio sets, radio tubes	150 tons	2,000
62.	Naphthalene	250 tons	
63.	Creosote oil	800 tons	
64.	Active coal	100 tons	
65.	Oxalic acid	75 tons	
66.	Manganese	5 tons	
67.	Lactic acid	100 tons	
68.	Sodium hyposulfite	100 tons	
69.	Sodium bisulfite	35 tons	
70.	Sodium sulfite	100 tons	
71.	Sodium fluoride	2 tons	
72.	Metal hardening salts and welding powders	10 tons	
73.	Galvanic salts		500
74.	Formic acid	75 tons	
75.	Photographic material		5,000
76.	Coal tar dyes	150 tons	
77.	Laboratory chemicals	60 tons	
78.	Sodium cyanide	60 tons	
79.	Ammonium chloride	50 tons	



	<u>Quantity</u>	<u>Value in 1,000 Kcs</u>
77. Laboratory chemicals	60 tons	3,000
78. Sodium cyanide	60 tons	
79. Ammonium chloride	50 tons	
80. Ammonium nitrate	2,500 tons	
81. Diammonium phosphate	20 tons	
82. Explosives		10,000
83. Aniline salts and oils	45 tons	
84. Dinitro-orthocresol	10 tons	
85. Zinc chloride, chemically pure	30 tons	
86. Potassium hydroxide,	20 tons	
87. Phenol	p.m.	
88. Phenol-cresol mixture	50 tons	
89. Dibasic and tribasic sodium phosphates	50 tons	
90. Fluoran	100 tons	
91. Chemicals for graphic industries, including printers dyes etc.		2,500
92. Ceramic enamel and glazing	100 tons	
93. Carbon disulfide	50 tons	
94. Insecticide		1,500
95. Pharmaceutical raw materials and dental material		10,000
96. Nitrocellulose	20 tons	
97. Coal tar and coal tar pitch	1,800 tons	1,
98. Phonograph record resins	10 tons	
99. Benzine and its homologues	120 tons	
100. Textile and leather industry and raw materials		5,000
100. Various chemicals		15,000
102. Cellulose	500 tons	
103. Special treated paper		1,500
104. Multiplying dies	p.m.	
105. Different cellulose and paper products		3,000
106. Tires, all kinds and sizes		25,000
107. Rubber goods		5,000
108. Leather technical products	p.m.	
109. Technical felt		2,000
110. Fireproof clay "SK 34"		3,000 tons
111. Slate clay		4,500

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	<u>Quantity</u>	<u>Value in 1,000 Kcs</u>
110. Fireproof clay "SK 34"	3,000 tons	
111. Slate clay	4,560 tons	
112. Burnt magnesite	1,750 tons	
113. Dinas, fireproof bricks	2,500 tons	
114. Fireproof bricks	4,000 tons	
115. Kaolin	2,000 tons	
116. Graphite products	30 tons	
117. Electro-porcelain	500 tons	
118. Hygienic earthenware		20,000
119. Utility porcelain and china porcelain		40,000
120. Carborundum	140 tons	
121. Chemical, technical, and acid-resisting earthenware		1,500
122. Pencils and pencil leads		20,000
123. Asbestos products	20 tons	
124. Sheet glass		16,000
125. Laboratory glass		2,000
126. Office machines and utensils		12,000
127. Books, periodicals, music, and similar material		3,000
128. Merchandise displayed at the Fair		5,000
129. Various merchandise		100,000

7. [REDACTED]

Belgrade, 1 March 1949

Mr. Chairman,

I have the honor to acknowledge the receipt of your letter dated 1 March 1949, containing the following text:

During negotiations in Belgrade between the delegates of Yugoslavia and of Czechoslovakia, we agreed that the hereinafter mentioned consumer goods are to be divided into four quotas, which are to be a part of List B attached to the ratified agreement.

I. Household utilities and trade needs in the total amount of

- 2. Refrigerator equipment and ice boxes 6,000,000
- 3. Stoves, wood stoves, and other than electrical cooking stoves 5,000,000

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4. Razors	3,000,000
5. Metal furniture	1,000,000
6. Various tin-coated and zinc-coated products	3,500,000
7. Sheet metal kitchen and household utensils	3,500,000
8. Brushes	100,000
9. Shoe nails and tacks	5,000,000
10. Various heaters	2,500,000
11. Sewing machines and spare parts	8,000,000
12. Bottles, hollow glass, and pressed hollow glass	8,000,000
13. Light bulbs	3,000,000
14. Glassware	2,000,000
15. Cellulose and plastic products	2,000,000

II. Tools, implements, and other needs for agriculture in the total amount of 10.5 million Kcs, consisting of the following quotas:

1. Cutlery, including razor blades and hair clippers	4,500,000
2. Small metal articles, including needles, buckles, and fountain pens	3,000,000
3. Garden and vineyard tools, cattle shearing equipment	3,000,000

III. Athletic equipment, educational needs, and musical instruments in the total amount of 21.5 million Kcs and consisting of the following quotas:

1. Bicycles and spare parts	7,500,000
2. Hunting firearms and ammunition	3,000,000
3. Bicycle and motorcycle chains	1,000,000
4. Wooden athletic equipment	2,000,000
5. Educational needs	5,000,000
6. Musical instruments	3,000,000

IV. Office machinery and other needs in the total amount of 12 million Kcs, consisting of the following quotas:

1. Typewriters, copying machines, addressing machines	4,000,000
2. Fountain pens and pencils	3,000,000
3. Office needs	5,000,000

At the same time I have the honor to confirm that any changes in quotas as mentioned above may be achieved only by mutual agreement of both signatories and according to their delivery possibilities.

I shall appreciate, Mr. Chairman, if you would kindly confirm the receipt of this letter.

Ing. Pleva v.r.

To
Nikola Popovic
Chairman of the Yugoslav Trade Delegation
Belgrade

9. **PAYMENT AGREEMENT REGARDING EXCHANGE OF MERCHANDISE BETWEEN THE REPUBLIC OF CZECHOSLOVAKIA AND THE FEDERATED PEOPLE'S REPUBLICS OF YUGOSLAVIA!**

The Government of the Republic of Czechoslovakia and the Government of Yugoslavia have agreed to arrange mutual payment contracts arising out of the Merchandise Agreement ratified today.

Article 1.

The National Bank of Czechoslovakia henceforth shall maintain a banking account, bearing no interest and valid in Kcs, in the name of the National Bank of Yugoslavia under the name "Merchandise Account" (account A) opened on the basis of the Merchandise Exchange Payment Agreement of November 28, 1945 and the Merchandise Exchange Payment Agreement of September 20, 1946. Into this account will go all deposits representing the value of Yugoslav merchandise as well as other costs. The same account will be charged with the total value of Czechoslovak merchandise, including other costs.

Article 2.

The National banks of both signatories are obliged to make payments irrespective of the balance of the accounts, as specified in Article 1 of this agreement, with the provision that balance shall not be higher than 300,000,000 Kcs (three hundred million Kcs).

Article 3.

The amount mentioned in the previous article may be modified by mutual agreement by both national banks of the two signatories.

Article 4.

The account mentioned in the Article 1 of this agreement may also be used for payments for other merchandise exchanges if both National banks agree and if such payments are not regulated by other special agreements between both signatories.

Article 5.

If the account mentioned in the Article 1 of this agreement shows any balance after the termination of the validity of this agreement, it shall be settled by the debtor country in merchandise deliveries as specified in Article 12 of the Merchandise Exchange Agreement ratified today.

Article 6.

The national banks of both countries shall mutually work out technical arrangements necessary for proper execution of this agreement. With approval of both national banks, transfers may be effected between different merchandise accounts with the provision that such amounts shall be settled in the original merchandise account.

Article 7.

Payments and receipts for the account specified in Article 1 of this agreement shall be made according to foreign exchange regulations valid in both countries.

Article 8.

If agreement is reached between the National Bank of Czechoslovakia, the National Bank of Yugoslavia, and the bank of issue of a third country with which Czechoslovakia and Yugoslavia have valid payment agreements, transfers of amounts may be effected from the account specified in Article 1 of this agreement to the account of the bank of issue of the third country kept either by the National Bank of Yugoslavia or by the National Bank of

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Czechoslovakia, and also transfers from the bank of issue account may be made to the account of the National Bank of Czechoslovakia and to the National Bank of Yugoslavia.

Article 9.

This agreement is valid the day it is ratified and its validity terminates at the same time as the Merchandise Exchange Agreement which is indivisible part of this agreement.

This agreement has been written in two originals, one of them being in the Czechoslovak and the other in Serbian language, each being an authentic translation of the other.

Ing. Pleva v.r.

Belgrade, 1 March 1949

Confidential

Mr. Chairman,

I have the honor to confirm the receipt of your letter of 1 March 1949, which I take the liberty of quoting here:

"In the course of trade negotiations which took place in Belgrade between the Delegation of Czechoslovakia and the Delegation of Yugoslavia we agreed to:

Increase the manipulation credit provided in Article 2 of the Payments for Merchandise Exchanged Between the Republic of Czechoslovakia and Yugoslavia to be ratified today, by another fifty million Czechoslovak crowns.

This increase will be valid from 1 March 1949, to 30 September 1949. When this time limit expires, the manipulation credit remains in the amount anticipated in Article 2 of the Payment Agreement ratified today.

I would appreciate it very much if you would confirm the receipt of this letter".

Ing. Pleva v.r.

To

Nikola Popovic,

The Chairman of the Yugoslav Trade Delegation,

Belgrade

Mr. Chairman,

I have the honor to confirm that today's official foreign exchange rate of Czechoslovak crown to the US dollar in Czechoslovakia is 50 Kcs to 1 dollar.

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Should this relation of the Czechoslovak crown to the US dollar be modified by any changes, the banking account of the National Bank of Yugoslavia kept by the National Bank of Czechoslovakia as well as balances kept by other Czechoslovak banks, if they originated by transaction from the original banking account kept by the National Bank of Czechoslovakia, shall be modified in accordance with the new foreign exchange rate.

Ing. Pleva v.r.

To
Nikola Popovic
The Chairman of the Yugoslav
Trade Delegation,
Belgrade.

[Redacted]

Belgrade, 1 March 1949

[Redacted]

Mr. Chairman,

In the course of the trade negotiations which have been taking place in Belgrade between the delegations of Czechoslovakia and Yugoslavia we have agreed to:

Pay for wholesale manufactured merchandise by letters of credit to be opened 14 days before shipment of the merchandise. The same day such merchandise is ready to be shipped, the seller will inform the buyer by telegram. In case that after such notification merchandise delivery is delayed, the letter of credit may be cancelled and a new letter of credit be re-opened within 14 days before the day the merchandise is actually dispatched.

For merchandise specially made according to order, a deposit will be demanded of not more than 30 percent of the purchase price. The remainder of the purchase price shall be paid according to conditions of the contract with the same provisions as the preceding paragraph.

The mentioned payment conditions are obligatory for imports and exports.

I shall appreciate for very much if you will confirm the receipt of this letter.

To
Nikola Popovic
The Chairman of the Yugoslav
Trade Delegation

Ing. Pleva v.r.

Belgrade

[Redacted]

The Government of Czechoslovakia and the Government of Yugoslavia have agreed to effect payments other than for merchandise as follows:

Article 1.

Henceforth, the National Bank of Czechoslovakia will establish a banking account in Czechoslovak crowns, bearing no interest, opened in the name of Yugoslavia according to Article 1 of the Agreement Concerning Payments Other Than Merchandise Exchange Payments ratified on 24 May 1948. The title of this account is "Account For Payments Other Than For Merchandise (Account C)". This account shall be used for payments in the Czechoslovak

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Republic according to instructions received from the National Bank of Yugoslavia. The National Bank of Yugoslavia shall keep a banking account in dinars, bearing no interest, according to the Article 1 of the Agreement Concerning Payments Other Than Merchandise Exchange Payments ratified 24 May 1948. This account shall be used for payments in Yugoslavia according to instructions received from the National Bank of Czechoslovakia.

Article 2.

Accounts mentioned in Article 1 shall be used for following payments:

1. Expenses of diplomatic and other official representatives as well as expenses of diplomatic missions of both countries.
2. Expenses of official delegations of both countries.
3. Expenses of trade representations of both countries.
4. Expenses of travellers and tourists of both countries as well as balances among various tourist agencies with the exception of railroad tickets.
5. Subsidies to students and medical expenses of sick persons.
6. Subsidies to families and wages to workers.
7. Pensions and social insurance payments.
8. Salaries and fees to scientists, writers, artists, and teachers.
9. License fees, copyright fees, and other similar fees if such payments have not been arranged to be paid in another way.
10. Expenses of river boat crews.
11. All payments other than for merchandise if agreed to by the national banks of both signatories and if not regulated by special agreement between both countries.

Article 3.

All payments anticipated in Article 2 shall be effected according to foreign exchange regulations valid in the signatory states.

As soon as this agreement is in force, payments anticipated in Article 2, shall be effected by transactions made into accounts outlined in Article 1.

Article 4.

All payments effected according to this agreement will be made on the basis of the exchange rate 100 dinars equals 100 Czechoslovak crowns. In case the foreign exchange rate of either signatory is changed, the national bank of the country changing its foreign exchange rate shall notify the national bank of the other country by telegram one day before such change takes place and, at the same time, shall stop all payments to be charged to accounts for payments other than for merchandise. Both national banks shall exchange mutual balances of accounts for payments other than for merchandise and determine mutual balance. Any further payment shall take place when new foreign exchange rates are agreed upon. In case of change in foreign exchange rates, balances of both national banks shall be adapted to the changed foreign exchange rate.

Article 5.



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If the account for payments other than for merchandise kept by the other national bank is overdrawn to the amount of 40 million Czechoslovak crowns or Yugoslav dinars, both national banks shall take measures for the smooth execution of payments effecting such accounts.

The final balance shall be settled within three months after this agreement expires in the manner agreed upon by the signatories.

Article 6.

This agreement shall be valid the same day it is ratified and also is valid concurrently with the Merchandise Exchange Agreement and the Agreement Concerning Merchandise Exchange Payments which have been negotiated at the same time.

Mr. Chairman,

I have the honor to confirm that during the negotiations which were terminated today by ratification of the Merchandise Exchange Agreement between Czechoslovakia and Yugoslavia, as well as by ratification of the payments agreements, we also agreed that the following payments concerning transportation should be settled:

1. Sea transportation payments for merchandise transported in Yugoslav ships via Yugoslav seaports shall be paid one-third in foreign exchange according to the agreement of both national banks and two-thirds in the "Merchandise Account (Account A)" of the National Bank of Czechoslovakia.

2. The "Merchandise Account (Account A)" shall also be used for the following mutual payments;

a. Seaports fees paid in Yugoslav ports, warehouse fees, loading, and other similar fees.

b. Debts and other financial claims of both railroad systems arising out of transportation of passengers, luggage, and merchandise transported within both countries, as well as other mutual railroad obligations.

c. Charges for such services as local transportation, loading, and reloading charges, rendered by the railroad systems in Czechoslovakia or Yugoslavia and other countries located between both signatories.

d. Account balances of tourist agencies for railroad tickets.

e. Account balances of tourist agencies for railroad tickets of both countries.

h. Account balance of air-transportation corporations charged with passenger transportation between Czechoslovakia and Yugoslavia.

3. Air transportation tickets for trips from Czechoslovakia to Yugoslavia, Bulgaria, Hungary, Poland, Rumania, and the USSR as

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3. Air transportation tickets for trips from Czechoslovakia to Yugoslavia, Albania, Bulgaria, Hungary, Poland, Rumania, and the USSR as well as railroad tickets from Czechoslovakia to the above enumerated countries shall be sold to Yugoslav nationals for Czechoslovak crowns procured from the "Account of Payments Other Than For Merchandise."

Railroad tickets sold to nationals of the other signatory state shall be sold for Czechoslovak crowns or dinars only to the last border station in Czechoslovakia or Yugoslavia.

Passenger air transportation including luggage and merchandise transported by air from Czechoslovakia to other European countries shall be paid as follows:

25 percent in Czechoslovak crowns procured from the "Account of Other Payments Than For Merchandise".

75 percent in foreign exchange according to agreement between both banks of issue.

Passenger air transportation, including luggage and merchandise transported by air, from the Republic of Yugoslavia to other European countries shall be paid as follows:

25 percent in dinars procured from "Account of Payments Other Than For Merchandise".

75 percent in foreign exchange according to agreement between both banks of issue.

Air transportation tickets of Czechoslovak airlines from Czechoslovakia to Yugoslavia and from there to other countries shall be sold in Yugoslavia to Czechoslovak nationals for dinars obtained from the "Account of Payments Other Than For Merchandise".

4. Czechoslovak passengers transported in Yugoslav ships in Yugoslav territorial waters shall be sold tickets for dinars procured from the "Account of Payments Other Than For Merchandise".

Transportation in Yugoslav ships in other than the territorial waters of Yugoslavia shall be paid in free foreign exchange.

Arrangements mentioned in Articles 1 and 2 also refer to any services, rendered from 5 May 1945 to the day of ratification of this agreement, which have not been paid for thus far.

Ing. Pleva

To

Nikola Popovic

The Chairman of Yugoslav Trade Delegation,

Belgrade.

Mr. Chairman,

I have the honor to confirm that, in regard to financing of tourist traffic of Czechoslovak nationals in Yugoslavia in 1949, we have agreed that, with the exception of Article 2 of the "Payments

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Agreement Other Than For Merchandise between Czechoslovakia and Yugoslavia, "such traffic should be financed and paid for as follows:

1 One half (50 percent) of tourist expenses of Czechoslovak nationals in Yugoslavia shall be financed by funds from the account "Czechoslovak National Bank - Reemigration Property" deposited in the National Bank of Yugoslavia, and shall be utilized to the amount of 32 million dinars as agreed by the national banks of both signatories.

The remaining 50 percent shall be settled by funds available from the account of "Payments Other Than For Merchandise".

2. As soon as the agreed limit of 32 million dinars is reached, financial claims of Czechoslovak reemigrants that had been deposited in this account up to 24 May 1948 shall be used for financing of tourist excursions to Yugoslavia according to the following rule:

Twenty-five percent from the account "Czechoslovak National Bank - Reemigration Property" and

Seventy-five percent from the "Account of Payments Other Than for Merchandise".

3. The arrangements described under paragraphs 1 and 2 of this letter shall be utilized for all tourist excursion expenses with the exception of railroad tickets, which shall be paid for by funds deposited in the "Merchandise Account".

4. The account "Czechoslovak National Bank - Reemigration Property" shall also be utilized for payments of claims to Yugoslavia including those arising out of liquidation of real estate and personal property of Yugoslav nationals residing in Czechoslovakia.

The National Bank of Czechoslovakia shall grant permission for such transactions, without limiting the individual amounts, to a total of 10 million Kcs. In case that there are not enough funds available in the "Reemigration Property" account, transactions totaling not more than 10 million Kcs will be paid from the account of "Payments Other Than For Merchandise."

This arrangement has no reference to Yugoslav claims in Czechoslovakia originating later than 9 May 1945, which shall be arranged by special agreement between both states, and it also has no reference to claims bound by legal Czechoslovak currency regulations.

This arrangement shall be valid to the end of 1949, and may be extended if both signatories agree to it in order to complete utilization of funds mentioned in this agreement.

Ing. Pleva v.r.

To:

Nikola Popovic
Chairman of the Yugoslav
Trade Delegation

Belgrade

16. THE CHAIRMAN OF THE CZECHOSLOVAK
TRADE DELEGATION

Belgrade, 1 March 1949

Mr. Chairman,

I have the honor to confirm that both delegations, having in mind the great importance of transportation of Czechoslovak merchandise via Yugoslav ports, agreed during negotiations regarding the Merchandise Exchange Agreement for 1949 that the Czechoslovak Government shall guarantee through its respective ministries and other institutions that the transit of Czechoslovak merchandise via Yugoslav ports is to be regulated according to the same principles utilized in transporting merchandise via other seaports.

In the best interest of most effective coordination of Czechoslovak transit via Yugoslav ports and utilization of Yugoslav shipping, the Czechoslovak Ministry of Foreign Trade, and particularly its transportation Department, shall remain in close contact with the Economic Section of the Embassy of Yugoslavia for the purpose of compiling transportation plans and reserving ample shipping space to guarantee smooth transit transportation.

The Government of Yugoslavia shall offer to Czechoslovak transit shipping the same advantages that would be offered to any other country not only in transit but also in Yugoslav port facilities and Yugoslav sea transport lines.

Ing. Fleva v.r.

To:

Nikola Popovic
Chairman of the Yugoslav
Trade Delegation

Belgrade.

25X1A Comment: This is apparently an abbreviation for "po mogućnost" - as much as possible.

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