

in four equal annual instalments on April 1st of each year 1950 to 1953 inclusive. Yugoslav dinar 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.

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 the FPR Yugoslavia, the Government of FPR 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 FPR Yugoslavia and in no event less favourable than those granted to the Government of any third country. The Government of FPR 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 FPR 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 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.