

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

BELGRADE, March 29th, 1950.

No. 45974

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.

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. Having recognized the substantial losses in human lives and material suffered by the peoples of Yugoslavia during the last war against the common enemy and the subsequent difficult post war economic conditions in Yugoslavia, the Canadian Government has expressed its readiness, 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