

EXCHANGE OF NOTES (MARCH 25 AND 29, 1950) BETWEEN CANADA  
AND YUGOSLAVIA CONSTITUTING AN AGREEMENT CON-  
CERNING SETTLEMENT OF CLAIMS ARISING OUT OF THE  
WAR.

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*The Canadian Legation in Yugoslavia  
to the Ministry of Foreign Affairs of Yugoslavia*

CANADIAN LEGATION

No. 106

BELGRADE, March 25, 1950.

The Canadian Legation presents its compliments to the Ministry of Foreign Affairs and has the honour to refer to the understanding reached between representatives of the Federal People's Republic of Yugoslavia and the Canadian Government with respect to the settlement of the indebtedness of the Government of Yugoslavia to the Government of Canada for Military Relief Supplies furnished to the Government 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. The Canadian Government recognizes, however, the substantial losses in human lives and material suffered by the people of Yugoslavia during the last war against the common enemy and the subsequent difficult post war economic conditions in Yugoslavia. The Canadian Government is accordingly prepared, 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 in four equal annual instalments on April 1st of each year 1950 to 1953 inclusive. Yugoslav dinars 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 Yugoslavia as above, the Government of 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 Yugoslavia and in no event less favourable than those granted to the Government of any third country. The Government of 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.